SENATE

THURSDAY, MARCH 29, 1956

(Legislative day of Monday, March 26, 1956)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou God of life and light, our glad hearts thrill at the risen glory of the awakening earth robed in the blooming garb of spring. As common bushes, lately so bare, are now aflame and the time for the singing of birds has come, may a spiritual springtime make our own hearts even as the garden of the Lord, where barren branches may be clothed upon with the beauty of holiness and the fair flowers of humility and charity lift their fair petals above the fallow ground.

Prepare our hearts this holy day for the solemn glory of a malefactor's cross blazing with the splendor of an empty tomb. As so soon now we come to the place called Calvary, steady our hearts for the good fight we must wage, by the assurance that not a nail touched His truth, not a sword severed the secret of His might, that no cross could impede His conquering way, and the gates of hell cannot prevail over the Conqueror of Good Friday and Easter. So may we fare forth greeting the unseen and the unknown with a cheer, sure that the third day cometh. In His ever-blessed name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 28, 1956, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 6625. An act to provide for the transfer of title to certain land and the improvements thereon to the Pueblo of San Lorenzo (Pueblo of Picuris), in New Mexico, and for other purposes;

H. R. 8780. An act to amend the Internal Revenue Code of 1954 to relieve farmers from excise taxes in the case of gasoline and special fuels used on the farm for farming purposes;

H. R. 9064. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1957, and for other purposes; and

H. R. 9770. An act to provide revenue for the District of Columbia, and for other purposes.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

ANNOUNCEMENT OF ADDITION OF BILLS TO CALENDAR AND POSSIBILITY OF THEIR CONSIDERATION TODAY

Mr. JOHNSON of Texas. Mr. President, I should like to announce to the Senate that five new bills have been placed on the calendar since yesterday, Orders Nos. 1740 through 1744, as follows:

S. 2851, a bill to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of the Yavapai Indians of Arizona.

S. 3076, a bill to provide for a continuing survey and special studies of sickness and disability in the United States, and for periodic reports of the results thereof, and for other purposes.

S. 3246, a bill to increase the amount authorized for the erection and equipment of suitable and adequate buildings and facilities for the use of the National Institute of Dental Research.

S. 3259, a bill to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instructional material for the blind, to increase the appropriations authorized for this purpose, and for other purposes.

S. 3214, a bill to authorize adjustment, in the public interest, of rentals under leases entered into for the provision of commercial recreational facilities at the Clark Hill Reservoir.

The majority leader, and the minority leader and his policy group, have cleared those bills. It may be that we shall proceed to their consideration during the day. All the bills come from the Committee on Labor and Public Welfare, except one, which comes from the Committee on Public Works. I should like to have the attachés in the Senate inform the chairman of the committee and the ranking minority members of the committee that it is the plan of the leadership to call up the bills, and I should like all Senators on notice.

AUTHORIZATION FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES AND FOR PRESIDENT OR PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DURING EASTER ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, notwithstanding any adjournment of the Senate until April 9, 1956, the Secretary of the Senate be authorized to receive messages from the House and that the President of the Senate or the President pro tempore be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION TO APPOINT MEMBERS OF COMMISSIONS, BOARDS, AND COMMITTEES DURING EASTER ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that notwithstanding the adjournment of the Senate until April 9, 1956, the President of the Senate be authorized to appoint members of commissions, boards, and committees authorized by law or by the Senate.

I cleared this before, but I wanted the minority leader to know about it.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE SERVICE

Mr. JOHNSON of Texas. Mr. President, it is with a great feeling of pride and satisfaction that I send to the desk an order, and ask for its immediate consideration.

I should like to observe that the Democratic steering committee, the official committee on committees for the majority party, has unanimously selected the junior Senator from Missouri [Mr. SYMINGTON] for membership on the Committee on Agriculture and Forestry. As Members of this body may recall, the distinguished junior Senator from Missouri had an outstanding record in the executive departments before he was sent to the Senate by the people of his own State in 1952, by a tremendous majority. He had distinguished service as Assistant Secretary of War for Air, as Secretary of the Air Force, as Administrator of the RFC, and as Chairman of the National Security Resources Board. In addition, Mr. President, one of the chief interests of the junior Senator from Missouri has been in the farmers of this country, and in seeing that the farmer got his fair share of the income.

So, Mr. President, after considering all the available men for this assignment, the steering committee, in its wisdom, selected the junior Senator from Missouri. If this order is agreed to, he will be excused by the Senate from further service on the Committee on Public Works, and will be assigned to the Committee on Agriculture and Forestry.

So I send to the desk an order, and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will read the order.

The order was read and agreed to, as follows:

Ordered, That the Senator from Missouri [Mr. SYMINGTON] be excused from further service as a member of the Committee on Public Works and that he be assigned to service on the Committee on Agriculture and Forestry.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be a morning hour, subject to a 2-minute limitation on statements, and I ask Senators to please observe the 2-minute limitation, because there is present on the floor the distinguished chairman of a committee who has four noncontroversial bills which he wants to have passed. After those bills have been acted on, Senators will be recognized and may speak until the evening, if they desire.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

FINANCIAL REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a confidential financial report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the period July 1 through December 31, 1955 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON MILITARY PRIME CONTRACTS WITH BUSINESS FIRMS IN THE UNITED STATES FOR EXPERIMENTAL, DEVELOPMENTAL, AND RESEARCH WORK

A letter from the Assistant Secretary of Defense, Supply and Logistics, transmitting, pursuant to law, a report on military prime contracts with business firms in the United States for experimental, developmental, and research work (with an accompanying report); to the Committee on Banking and Currency.

ADMISSION INTO THE UNITED STATES OF DISPLACED PERSONS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Loo Wei Yung from a report transmitted to the Senate on June 22, 1955, pursuant to section 6 of the Refugee Relief Act of 1953, with a view to the adjustment of his immigration status (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Kentucky; to the Committee on Public Works:

"Concurrent resolution memorializing Congress to enact legislation designed to insure the construction of a high dam on the lower Cumberland River

"Whereas the region traversed by the Cumberland River has been the scene of numerous floods which have caused great and extensive damage to property and have moreover added to the steady depletion of the natural resources of the Commonwealth and of the Nation; and

"Whereas power production facilities in said area are insufficient to meet the demand with the result that large industries vital to the economic well-being of the citizens of the area are reluctant to establish there; and

"Whereas it appears desirable that Cumberland River be deepened thereby making more of its length navigable and affording industries of the area a more economic means of shipping their products; and

"Whereas it appears desirable that the citizens of the area be provided with a plan of recreation not only for their own enjoyment and welfare but as an inducement to tourist trade with its direct economic benefits: Now, therefore, be it

"Resolved by the House of Representatives of the Commonwealth of Kentucky (the Senate concurring therein):

"SECTION 1. That the Congress of the United States act, in the exercise of its broad legislative powers, to insure the construction, with all possible haste commensurate with the exercise of sound judgment, of a high dam on the lower Cumberland River.

"SEC. 2. That the clerk of the house cause copies of this resolution to be sent to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and the Kentucky delegation to the Congress of the United States."

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

Resolutions of the House of Representatives of the Commonwealth of Massachusetts; to the Committee on Public Works:

"Resolution memorializing the Congress of the United States to enact legislation revising and extending the Water Pollution Control Act

"Whereas there is pending in Congress a bill to revise and extend the expiring Water Pollution Control Act; and

"Whereas the continuance of the benefits provided by this act is essential to the welfare of many of the citizens of this Commonwealth: Therefore be it

"Resolved, That the House of Representatives of the General Court of Massachusetts hereby urges the Congress of the United States to enact legislation extending the Water Pollution Control Act, incorporating therein the provisions of H. R. 9540 and providing for grants to cities and towns for the elimination of stream pollution and the construction of sewage-treatment plants; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

PROHIBITION OF LIQUOR ADVERTISING IN INTERSTATE COMMERCE—LETTER AND PETITIONS

Mr. MANSFIELD. Mr. President, I am in recepit of a letter signed by Mrs. Thure Johnson, of Butte, Mont., relative to the Siler bill (H. R. 6427) and the Langer bill (S. 923) to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and its broadcasting over the air.

I ask unanimous consent that the letter and the petition accompanying the letter, without the signatures attached, be made a part of the RECORD at this point and appropriately referred.

The PRESIDENT pro tempore. Without objection, it is so ordered, and they will be referred to the Committee on Interstate and Foreign Commerce.

The letter and petition, without the signatures attached, are as follows:

BUTTE, MONT.

Senator MIKE MANSFIELD,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MANSFIELD: I am sending you a petition about the Siler and Langer bills. Will you please include the number of signers in the CONGRESSIONAL RECORD?

Sincerely,

Mrs. THURE JOHNSON.

PETITION REGARDING THE SILER BILL, H. R. 6427, AND THE LANGER BILL, S. 923

To Senator MIKE MANSFIELD:

We, the undersigned, respectfully petition you to exercise the proper discretion vested in you by passing legislation to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and its broadcasting over the air, a practice which nullifies the rights of the State under the 21st amendment to control the sale of such beverages.

At a time when 1 out of 10 drinkers is becoming an alcoholic, there should be no encouragement to increasing the use of such beverages. Children and youth are being misled to consider them harmless especially by the audio and visual suggestion of radio and television.

Mrs. SMITH of Maine. Mr. President, I have received a petition signed by 354 citizens of Maine urging the passage of the Langer bill and the Siler bill, which states:

We, the undersigned citizens of Maine, being greatly disturbed by the rapid increase in drinking among young people and being convinced that the attractive advertising of alcoholic beverages contribute much to this problem, do humbly petition the Members of Congress of the United States that they vote in favor of the adoption of the Langer bill, S. 923, and the Siler bill, H. R. 4627 to prohibit the advertising of alcoholic beverages in interstate commerce.

I call this expression not only to the attention of the Senate, but also to the attention and consideration of the Committee on Interstate and Foreign Commerce which has primary jurisdiction over this legislation and which holds the control over whether such legislation is reported to the Senate for a vote.

The petition was received and referred to the Committee on Interstate and Foreign Commerce.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

S. 3554. A bill to amend section 5 of the act of August 7, 1946, entitled "An act for the retirement of public school teachers in the District of Columbia," as amended; to the Committee on the District of Columbia.

By Mr. SMATHERS:

S. 3555. A bill to establish an additional judicial district within the State of Florida; to the Committee on the Judiciary.

(See the remarks of Mr. SMATHERS when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER (for Mr. MURRAY):

S. 3556. A bill to amend Public Law 551, chapter 616, 83d Congress, 2d session; to the Committee on the Interior and Insular Affairs.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. IVES:

S. 3557. A bill for the relief of Stylianos Lecomples; to the Committee on the Judiciary.

By Mr. PURTELL:

S. 3558. A bill to provide a library of captioned films for the deaf and hard-of-hear-

ing; to the Committee on Rules and Administration.

(See the remarks of Mr. PURTELL when he introduced the above bill, which appear under a separate heading.)

By Mr. AIKEN (for himself, Mr. YOUNG, Mr. ALLOTT, Mr. HOLLAND, Mr. ANDERSON, and Mr. HAYDEN):

S. 3559. A bill to amend the act of August 31, 1954, as amended, so as to extend the availability of emergency credit to farmers and stockmen; to the Committee on Agriculture and Forestry.

By Mr. SPARKMAN:

S. 3560. A bill to amend the Settlement of War Claims Act of 1928 so that certain awards of the Mixed Claims Commission having a residual balance of $15,000 or less will be paid in full immediately, and for other purposes; to the Committee on the Judiciary.

By Mr. WILEY (for himself and Mr. O'MAHONEY):

S. 3561. A bill to incorporate the National Music Council; to the Committee on the Judiciary.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of New Jersey:

S. 3562. A bill to provide a measure of coordination between the Civil Service Retirement Act and the Social Security Act, subject to employee referendum, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. CASE of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE (for Mr. LEHMAN):

S. 3563. A bill for the relief of Benito Comellas Freixa; to the Committee on the Judiciary.

By Mr. HOLLAND:

S. 3564. A bill to merge production credit corporations in Federal intermediate credit banks; to provide for retirement of Government capital in Federal intermediate credit banks; to provide for supervision of production credit associations; and for other purposes; to the Committee on Agriculture and Forestry; and

S. 3565. A bill for the relief of George P. Nelson; to the Committee on the Judiciary.

By Mr. CURTIS (for himself and Mr. HRUSKA):

S. 3566. A bill to provide for the transfer to the Department of Agriculture of certain Government-owned alcohol and rubber plants; to the Committee on Government Operations.

By Mr. HENNINGS:

S. 3567. A bill to provide for the issuance of a special series of stamps to commemorate the 100th anniversary of the arrival in Springfield, Mo., of the first west-bound stage of the Overland Butterfield Stage Co.; to the Committee on Post Office and Civil Service.

By Mr. YOUNG:

S. 3568. A bill to provide for the establishment in western North Dakota of a uraniferous lignite buying station and a mill for processing uranium-bearing lignites; to the Committee on Interior and Insular Affairs.

By Mr. MORSE (for Mr. HUMPHREY):

S. 3569. A bill for the relief of George La Hood; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3570. A bill to increase the number of visas authorized to be issued to eligible orphans under the Refugee Relief Act of 1953, and for other purposes;

S. 3571. A bill to extend the time during which visas may be issued under the Refugee Relief Act of 1953;

S. 3572. A bill to provide for the issuance of a number of visas to permit the entry into the United States of certain aliens afflicted with tuberculosis;

S. 3573. A bill to permit any voluntary agency recognized by the Department of State to submit assurances in behalf of certain aliens seeking to enter the United States; and

S. 3574. A bill to provide for the allocation of cetrain special nonquota immigrant visas which are authorized to be issued under the Refugee Relief Act of 1953; to the Committee on the Judiciary.

ADDITIONAL JUDICIAL DISTRICT IN STATE OF FLORIDA

Mr. SMATHERS. Mr. President, I introduce, for appropriate reference, a bill to create an additional Federal judicial district within the State of Florida, and to provide for the appointment of a district judge for such district.

The State of Florida today has two Federal judicial districts, namely, the northern and southern districts, but by reason of a tremendous growth in population, the present boundaries of the southern district have long since been outgrown. This situation prevents the expeditious and effective handling of the heavy case load causing a litigation log jam which can only be alleviated by a new division of the southern district.

As presently constituted the southern district comprises 45 counties, extending westward from the Atlantic along the boundary of the State of Georgia to and including Madison County, then southward from Levy and Alachua to include the greater part of the peninsula. Located within the boundary are the populous areas of Tampa, St. Petersburg, Palm Beach, and Miami. According to the last official census taken in 1950, this area had a total population of 2,277,535, as compared to that of 493,770 of the northern district. The population of Dade County alone, one of the counties included in the southern district was 495,084, or 1,300 more than the total population of the northern district. Of the State's total population of 2,771,305, which has increased substantially since the last official census, over 80 percent is located within the southern district. The phenomenal growth in population within the southern district has increased the volume of Federal litigation, both civil and criminal, to such an extent that the present composition of the United States attorney's office is inadequate to sufficiently cope with it. Unreasonable delay in the proper administration of justice is the net result.

Statistics taken from the annual report of the Director of the Administrative Office, United States Courts, furnish ample proof of the heavy case burden now carried by the southern district. During the fiscal year ending June 30, 1955, there was a total of 1,407 civil cases and 474 criminal cases pending at the beginning of the period; 1,365 civil and 877 criminal cases commenced, 1,352 civil and 1,000 criminal cases terminated, and 1,407 civil and 474 criminal cases pending on June 30, 1955, the end of the fiscal year as compared with the northern district, with a total of 181 civil cases and 49 criminal cases pending at the beginning of the period, 177 civil and 178 criminal cases commenced and 161 civil and 166 criminal cases terminated, and 181 civil cases and 49 criminal cases pending at the end of the fiscal period.

A Federal grand jury inquired into conditions prevalent in the southern district and submitted a report on January 22, 1953, urging that immediate action be taken to create a new judicial district, such being in its opinion the only solution on this vexing problem. At that time, the grand jury found, first, that the creation of new judgeships, though imperative to meet present needs, is not a solution to the problem; second, that the problem is largely an administrative one which can only be solved by action directly affecting the operations office of the United States attorney; third, that the work which evolves upon the Miami office has increased to a point where it encompasses at least 40 percent of the work of the entire district; fourth, that it is three times as great as the work done in the entire northern district; fifth, that the court dockets are clogged with a backlog of both civil and criminal cases for an unreasonable period of time; sixth, that routine work of this office such as the evaluation and disposition of civil and criminal complaints not yet in the litigation phase has lagged even further behind; seventh, that a properly staffed United States attorney's office should certainly be located in Miami, where its operations at all times would be under the direct supervision of a United States attorney; and, eighth, that by taking such action adequate and effective supervision of its operations could be maintained thus assuring that the legal work of the Government is handled with dispatch and efficiency.

I can fully appreciate the findings of the grand jury on the conditions existing in the Southern Federal Judicial District, for just prior to World War II, I had the honor of serving as an assistant United States attorney in charge of the Miami office, at which time, according to statistics, it was the 11th busiest United States attorney's office in the Nation. Since that time, the volume of work in that office has greatly increased to a point where it is a matter of urgent concern to all of us who are familiar with the litigation logjam in the area.

The orderly, speedy, and effective administration of justice is the concrete foundation of our system of government. To democracy it is a pillar of strength which should never be allowed to decay. Not too infrequently have we been warned that justice delayed is tantamount to justice being denied. Nothing could contribute more toward undermining the faith of our people in their institutions of government than to carelessly permit or condone by inaction a situation which prevents litigants from having their cases disposed of promptly and efficiently or which imposes upon litigants seeking such disposition undue hardships. Unreasonable delay in the administration of justice is therefore a situation which warrants prompt and effective corrective action by the Congress.

My bill is designed to correct the intolerable situation which exists in the southern Federal judicial district by giving effect to the recommendations of the Federal grand jury, to the views of the members of the bar, of the press, and of all the citizens of the State of Florida,

who are familiar with the problem. It simply provides that the State of Florida be divided into three Federal judicial districts to be known as the northern, middle, and southern districts. In addition, it contains a provision for the appointment of a district judge for what would be a newly created middle district. This legislation, if enacted into law, will more evenly distribute the workload of Federal litigation and make a substantial contribution to the orderly, speedy, and effective administration of justice. Florida's rapidly expanding population makes its need imperative.

Since the facts justifying the need for this legislation are uncontrovertible, it is my hope that the Judiciary Committee and the Congress will give this proposal immediate and favorable consideration.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3555) to establish an additional judicial district within the State of Florida, introduced by Mr. SMATHERS, was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF PUBLIC LAW 551, CHAPTER 616, 83D CONGRESS, 2D SESSION

Mr. NEUBERGER. Mr. President, on behalf of the distinguished senior Senator from Montana [Mr. MURRAY], who unfortunately is not able to be present today, I introduce, for appropriate reference, a bill which was requested by the distinguished chairman of the Appropriations Committee.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3556) to amend Public Law 551, chapter 616, 83d Congress, 2d session, introduced by Mr. NEUBERGER (for Mr. MURRAY), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

LIBRARY OF CAPTIONED FILMS FOR THE DEAF

Mr. PURTELL. Mr. President, I introduce, for appropriate reference, a bill to authorize the Library of Congress to establish a captioned film library for the use of the deaf and hard of hearing.

This program is similar to the Braille book and talking book programs already in operation for the benefit of the blind. These captioned films, much like the old silent motion pictures, will be distributed to public residential schools, day schools, day classes in various schools, denominational schools, and schools for the multiple handicapped. There are more than 300 of these schools in the country and their total enrollment is more than 22,000.

In addition, there are more than 500 organizations of deaf and hard-of-hearing persons or organizations engaged in work in behalf of the deaf and hard-of-hearing. It is estimated that, in addition to the children, there are approximately 200,000 deaf and hard-of-hearing adults throughout the country who will benefit from this program.

The need for this program has been attested to by Captioned Films for the Deaf, Inc., which is sponsored by the Conference of Executives, American Schools for the Deaf; the Convention of Instructors, American Schools for the Deaf; the National Association of the Deaf; the Alexander Graham Bell Association for the Deaf and the Junior League of Hartford, Conn.

Dr. Edmund B. Boatner who heads the American School for the Deaf in West Hartford, Conn., is also the President of this organization, and his association has been most generous and cooperative in furnishing information in regard to this program which I think will fill a most important humanitarian and educational need.

In past years films were one of the greatest sources of information and recreation for the deaf. The advent of sound film deprived the deaf of this valuable resource and up until now, they have had nothing satisfactory to take its place. It is also true that the great number of educational films in existence are of little use, particularly to the deaf child, because nearly all of these films are carried by narration.

This program would provide great advantages not only from the educational and informative subject matter of the films themselves, but also in the recreational therapy and in the opportunity for a great increase in general understanding. Our deaf and hard-of-hearing are deprived of the many advantages available to others through radio and television and this program would compensate in a considerable measure for this lack.

A pilot program of this sort has been started by the Captioned Films organization which was able to pioneer in this work as a result of a gift of money from the Junior League of Hartford. There are now 17 films circulating among schools for the deaf and their enthusiastic reception justifies this proposal as a most worthwhile program.

Our research shows that there is need for at least 120 recreational film programs, consisting of a feature length film and a short subject, and a provision for at least 60 replacement films yearly. There is an even greater need for a larger number of educational films which are of paramount importance to schools for the deaf.

My visits to the American School for the Deaf in West Hartford, and my research in this matter, have convinced me of the worthiness of this project in behalf of young and old, who are deaf and hard-of-hearing. I believe this bill for $250,000 to inaugurate this program is reasonable and that the sum is comparatively small when measured against the opportunity for the incalculable benefit which it offers.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3558) to provide a library of captioned films for the deaf and hard-of-hearing, introduced by Mr. PURTELL, was received, read twice by its title, and referred to the Committee on Rules and Administration.

INCORPORATION OF NATIONAL MUSIC COUNCIL

Mr. WILEY. Mr. President, on behalf of myself and the Senator from Wyoming [Mr. O'MAHONEY], I introduce, for appropriate reference, a bill to provide a national charter for the National Music Council. I believe the bill would be a most helpful contribution to the advancement of music in our country. I have prepared a statement on the background of the legislation, and ask unanimous consent that it be printed at this point in the body of the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3561) to incorporate the National Music Council, introduced by Mr. WILEY (for himself and Mr. O'MAHONEY), was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement, presented by Mr. WILEY, is as follows:

STATEMENT BY SENATOR WILEY

"Music is the universal language of mankind."

These are the words of Henry Wadsworth Longfellow. And they have been quoted time and again in our country and throughout the world.

Down through the ages, countless tributes have been paid to the role of music in expressing man's highest ideals, his search for beauty, for harmony, his desire to pour forth his soul in a lyrical way which would be understood by all men.

Carlyle wrote that "music is well said to be the speech of angels."

And Robert Browning wrote "there is no truer truth obtainable by man than comes of music."

OUR REMEMBRANCE OF MUSIC

There is not one of us who does not recall some music which he or she has heard in bygone years.

We remember perhaps the music of graduation day, the tunes identified with great singers or of unforgettable motion pictures, the music of a Memorial Day prade when we stood with our parents and watched our servicemen march by.

Or we recall the anthems of a Fourth of July band concert or the music of the wedding march or of a child's confirmation. We recall music in our homes, our churches, our public halls, the music of the great composers of mankind, operatic selections, symphonic orchestrations, chamber music, pop music, or music over the radio, over television, or phonographs, tapes, and in countless other spheres and media.

AMERICA'S CONTRIBUTIONS TO MUSIC

We of this country are proud to have made our unique contributions to the music of mankind—serious music and light music, American jazz and American spirituals, the music of Gershwin and of other great composers, of Tin Pan Alley and Basin Street. The world has come to know and appreciate American music.

And here, in our own land, we are ever increasing the acquaintanceship of young and old with the delights of music.

FINE WORK OF NATIONAL MUSIC COUNCIL

I feel that it is most appropriate, therefore, that Congress consider the granting of a charter to the National Music Council.

It is an organization representing 45 nationally active music associations, with a combined individual membership of over 800,000.

The council has contributed on many occasions in war and peace to the service of

music. All segments of the musical world are represented in it—composers, performers, teachers, music publishers, and others.

LEGISLATION ON BOTH SENATE AND HOUSE SIDES

Already, legislation has been introduced on both the Senate and House sides for such a national charter. On the House side, it is principally, in the form of H. R. 7128, offered by the tireless champion of artistic efforts in our country, Congressman FRANK THOMPSON, of New Jersey. In addition, there are other bills, like H. R. 8110 and H. R. 8739. On the Senate side, the counterpart of the Thompson bill is S. 2662. The Wiley bill and the other bills are all identical with the exception that my own bill contains a new preamble of "Findings and Declarations" emphasizing the modern significance.

On January 26, House Judiciary Subcommittee No. 4 held hearings on this legislation. A tremendously impressive group of witnesses testified on behalf of the bill. I append to my statement a list of the prominent individuals who presented testimony in person or in written form on behalf of this legislation.

NATIONAL FEDERATION SUPPORTS THIS BILL

Among the witnesses was Mrs. Ronald Arthur Dougan, of Beloit, in my State, president of the National Federation of Music Clubs. This federation, founded in 1898, is a nonprofit organization, the largest single music organization in the world.

It is a charter member of the National Music Council. Its membership representing several hundreds of thousands, is a cross section of musicians in America—concert artists, teachers, composers, students, choral and symphony society members, music clubs, and others.

The national federation has splendidly helped to raise standards in every field of music. It promotes and encourages youngsters with musical talent. It contributes in the dissemination of music among the Armed Forces, and serves other worthy purposes as well.

Among other witnesses at the House of Representatives hearing were: the Honorable Emanuel Celler; Mr. Howard Hanson, president of the National Music Council, Mr. Edwin Hughes, executive secretary of the National Music Council, and Dr. Harold Spivacke, chief of the Library of Congress, Music Division.

HOUSE ADVERSE DECISION SHOULD BE REVERSED

Unfortunately, it was the decision of the House Judiciary Committee not to report this bill favorably.

Its decision was taken, as I understand it, not as a reflection on the bill itself, but rather, merely as part of a congressional committee's reluctance in recent years to grant almost any additional national charter.

I, for one, feel that we should, of course, strictly limit the number of national charters, lest, if the practice be extended too widely, it depreciate the value of the charters already granted, e. g., to great American patriotic and veterans' organizations.

Nevertheless, I think that it would be well to grant such a charter to the National Music Council.

It will involve no cost to the Federal Government, no appropriations. It will, however, confer appropriate recognition to this great fountainhead of culture.

ASCAP ENTHUSIASTICALLY ENDORSES BILL

Although it is only but a few days since I first announced word that I intended to cosponsor this legislation, I am delighted to say that a great many enthusiastic messages in support have already come to my office.

Promptest response has come from the famed American Society of Composers, Authors, and Publishers. Its distinguished president, Mr. Stanley Adams, wrote me as follows:

MARCH 27, 1956.

The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: ASCAP participates in the public-service activities on the National Music Council, and the undersigned assists in the formation of council policies as one of its vice presidents. Consequently, we are grateful to you for your intention to introduce in the Senate a bill to incorporate the National Music Council, thus according it the national status which it justly deserves. It is especially fitting that this measure should be introduced by you, in view of the cultural achievements of your State of Wisconsin and your own record of friendly support of music and the allied arts. It is also my feelings that your preamble as drafted, with its emphasis on the importance of music both nationally and internationally, should do much to win adherents to this needed legislation.

Mr. Cunningham, I am sure, will be in to see you in the very near future, and he will personally convey our support in the matter.

Sincerely yours,

STANLEY ADAMS,
President.

TELEGRAM FROM ASCAP'S PAUL CUNNINGHAM

I may say parenthetically by way of background that Mr. Paul Cunningham, ASCAP chairman of public relations, has on many occasions brought to my attention and the attention of many other legislators on the Hill, ASCAP's marvelous service, particularly on behalf of the morale of our fighting men overseas. ASCAP troupe have contributed invaluably in entertaining our boys abroad, not to mention ASCAP's other patriotic and civic services.

Mr. Cunningham himself wired me as follows:

"On behalf of the American Society of Composers, Authors, and Publishers, I wish to express our hearty endorsement of your bill for the incorporation of the National Music Council. The council has done fine work in the past, and we are confident that its recognition by our Government will advance the cultural interests of the United States, especially in the field of music."

Both Mr. Adams and Mr. Cunningham, I may say, are famous in American music in their own right.

MUSIC-MINDED WISCONSIN

I have also heard from numerous persons in my own State expressing gratification.

I should like to cite now a letter to me from Mr. Le Roy Umbs, of Milwaukee, on behalf of the Wisconsin Teachers' Association.

"As chairman of the Wisconsin Music Teachers Certification Committee and as first vice president of the east central division of the Music Teachers National Association, I wish heartily to endorse the establishment of a national music council and the issuance of a charter by the Federal Government to such a council.

"This country has been peculiarly slow to sponsor and encourage the arts. Other countries of the Western World are far ahead of us in this respect. Great Britain with its National Arts Council; Western Germany, with its municipally and provincially supported opera and drama; France, with its Radio Diffusion Francaise; Switzerland, with its state orchestra and radio; even tiny and impoverished Austria with its magnificent rebuilt opera house, all these countries and others may well serve as models and guides for our own great Nation to follow:

"Speaking for the groups, in which I am a leader, I know that they are solidly behind you in your efforts to charter the proposed National Music Council."

WISCONSIN FEDERATION OF MUSIC CLUBS WRITES

This is what Mrs. W. Paul Benzinger, of Oconomowoc, advisory chairman of the Wisconsin Federation of Music Clubs, wrote:

"I am delighted to learn that you will introduce the bill for a National Charter for the National Music Council.

"I feel along with many people who love and foster the study of music, that as a people increase their culture they also increase their humanities.

"Granted a charter, the National Music Council will have greater potential value to our country's musical development.

"With kindest wishes to you."

In the Wisconsin federation, Mrs. Alvin A. Mellentine of Stevens Point is president, Mr. Roger G. Cunningham of Jamesville is first vice president, Mrs. O. T. Slagsvol of Eau Claire, second vice president, Mrs. Lyle H. Brown of Waupun, third vice president, Mrs. Ragnhild H. Congdon of Kenosha, secretary, and Mrs. A. J. Bowen is treasurer.

BADGER PAPERS REPORT PEOPLE'S INTEREST

Each day in my office, I receive copies of publications issued in my State—newspapers and magazines. There is not a daily newspaper or a weekly newspaper in my State which does not somewhere virtually in every single issue report some musical activity. It may be a symphony or a band concert, a choral group, a piano recital, or any of a broad variety of musical forms.

Of course, Wisconsin has long been deeply interested in music. Wisconsin pioneers who came from the Old World brought a love of music to our shores, and this love has continued down through the years.

I have before me now literally dozens of clippings on music from Wisconsin periodicals.

The Wisconsin State Journal, for example, reports that 103 Madison and surrounding area high school musicians won superior ratings in a district music solo and ensemble festival.

Another issue of the same paper reports that 14 Madison students are members of the University of Wisconsin Concert Band, which will play its annual Palm Sunday Concert in the Wisconsin Union Theater. Still another clipping reports that 6 members of the Madison Civic Chorus appear as soloists when the Madison Civic Symphony Orchestra gives its sixth concert of Madison's 30th season of civic music.

And I could duplicate instances in other Wisconsin newspapers, not only from our famed State capital but from towns as large as Milwaukee and ranging to the smallest Badger communities where music is still richly enjoyed.

Music is the common heritage of us all. The smallest youngster in the tiniest hamlet, practicing his keys on the piano or the most accomplished virtuoso performing in Carnegie Hall in New York, enjoy a common hunger to express their souls, and they draw upon a common musical heritage.

OTHER NATIONS VALUE MUSIC HIGHLY

Earlier, in the letter from Mr. Umbs, there was indicated how foreign countries honor their musical profession.

Virtually all the nations of the Old World recognize in music a priceless national asset. So, too, even the relatively new nations of South Asia are similarly aware of their musical heritage dating back to ancient cultures. They all enjoy contact with American music and American musicians, whether it be Louis Armstrong's jazz or more serious music played by the Symphony of the Air.

Just the other day, I was pleased to note as senior Republican on the Foreign Relations Committee that the Senate wisely approved legislation reported by our committee to make permanent the President's program for United States participation in cultural exchange programs.

I have been pleased to cosponsor legislation for this goal, and I trust that the House of Representatives will soon take prompt, final action.

Let us have more of the finest musical talent from abroad and let the finest of our talent journey overseas. Moreover, let us nurture the roots of American music in our land so that from Madison or Oconomowoc or Superior or La Crosse or Milwaukee or from Chicago or Cheyenne or anywhere else will come fine, new talent in the world of tomorrow.

DIFFICULT ECONOMIC PROBLEM FOR UNITED STATES MUSICIANS

Of late, it is an unfortunate fact that the professional musicians of America, as such, have had a rocky time of it. In this modern, technological age, there are more and more transcriptions of music. (America today has more than a half million jukeboxes alone.)

The tendency is to cut down on live playing of music.

It is an unhappy situation to note the seriously declining number of American musicians and how difficult it is for those who remain full-time in the profession to make a decent living.

Excise taxes on musical entertainment in the Nation's hotels and cabarets have had a severe impact on live music. The American Federation of Musicians and other groups have pointed out this grim fact, and it cannot be repeated too often if we are to take remedial action so as adequately to preserve our great musical heritage.

Here, in our Nation's Capital, we have a particular obligation to help advance American music. Establishment of a National Music and Fine Arts Center would be a great national asset.

CONCLUSION—MAKE 1956 A GREAT MUSIC YEAR

In conclusion, may I say that the granting of a national charter to the National Music Council will constitute only a relatively small contribution in relation to the problems of the musical world, and yet it can prove most helpful.

And for that reason, I trust that there will be favorable action on this subject in the Senate Judiciary Committee and thereafter in the full Senate. I trust, moreover, that my colleagues on the House side in the Judiciary Committee will reconsider their previous adverse position.

I know that I speak for my good friend from Wyoming [Mr. O'MAHONEY] in these sentiments, as well as for our able friend from New Jersey, Congressman THOMPSON, and for Senator LEHMAN, sponsor of S. 2662.

I may say, incidentally, that my colleague from Wyoming comes naturally by his interest in music because I understand that his father had a rich tenor voice and his brother also has fine singing talent. When a Democrat like JOE O'MAHONEY and I, as a Republican, can work together as we are happy to, on behalf of a fine cause like this, it is a symbol of bipartisan harmony and agreement which I trust will mark this bill through final passage. Finally, I say this:

All over America we are helping to celebrate the 200th birthday of Wolfgang Amadeus Mozart. How appropriate it would be in this year of 1956 for the New World to send a message to the Old World that America rededicates herself to the cause of good music.

LIST OF INDIVIDUALS WHO TESTIFIED ON BEHALF OF NATIONAL MUSIC COUNCIL BILL BEFORE THE HOUSE JUDICIARY SUBCOMMITTEE

The Honorable FRANK THOMPSON, JR., a Representative in Congress from the State of New Jersey.

The Honorable EMANUEL CELLER, a Representative in Congress from the State of New York.

Mr. Howard Hanson, president, the National Music Council, director, Eastman School of Music.

Mrs. Ronald Arthur Dougan, president, National Federation of Music, Beloit, Wis.

Mr. Harold Spivacke, Chief, Music Division of the Library of Congress, Washington, D. C.

Mr. Sidney W. Wattenberg, counsel, National Music Council, New York.

Mr. Herman Finkelstein, general attorney, American Society of Composers, Authors, and Publishers.

Mr. Edwin Hughes, executive secretary, National Music Council.

Mr. George Lockhart, national president, American Society of Piano Technicians.

Mr. Wladimir Lakond, American Performing Rights Society.

Dr. Grace Spofford, vice president, National Guild of Community Music Schools, New York City.

Dr. William Doty, president, National Association of Schools of Music, Austin, Tex.

Mr. Guillermo Espinosa, chief, music section, Pan American Union, Washington, D. C.

Mr. Lenard Quinto, National Association for Music Therapy.

Mr. David S. Cooper, Chief, Music Program, United States Information Agency, Washington, D. C.

Mr. Patrick Hayes, chairman, cultural development committee, Washington Board of Trade.

Mr. John W. Travis, president, National Association of Piano Tuners.

LIST OF INDIVIDUALS WHO FILED STATEMENTS

Mr. S. Lewis Elmer, national president, American Guild of Organists.

Mr. S. Turner Jones, executive secretary, Music Teachers National Association.

Mr. Stanley Adams, president, American Society of Composers, Authors, and Publishers.

Mr. Thomas H. Belviso, member of executive committee, National Music Council.

Mr. Donald F. Malin, president, Music Publishers' Association.

Mr. E. Clifford Toren, president, National Association of Teachers of Singing, Evanston, Ill.

Mr. Frank W. Hill, president, American String Teachers' Association.

Miss Mary Howe, Washington, D. C.

COORDINATION BETWEEN CIVIL SERVICE RETIREMENT AND SOCIAL SECURITY ACTS

Mr. CASE of New Jersey. Mr. President, I introduce, for appropriate reference, a bill to provide a measure of coordination between the Civil Service Retirement Act and the Social Security Act, subject to employee referendum, and for other purposes. I ask unanimous consent that a statement prepared by me, relating to the bill, may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3562) to provide a measure of coordination between the Civil Service Retirement Act and the Social Security Act, subject to employee referendum, and for other purposes, introduced by Mr. CASE of New Jersey, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The statement, presented by Mr. CASE of New Jersey, is as follows:

STATEMENT BY SENATOR CASE OF NEW JERSEY

After a thorough study of pending legislative proposals to amend the laws governing retirement of civil-service employees I have reached four basic conclusions:

1. Retirement and survivor benefits for Federal employees, including both short-service and full career employees should be improved.

2. There would be real advantages both to employees and to the Federal service in extending to Federal employees the basic protection the Social Security Act now provides for employees in private industry.

3. Federal employees need both the basic protections of the social-security system and the benefits of a sound and adequate retirement system. Neither should be displaced by or subordinated to the other. For that reason I have joined with the proposal for extension of social-security benefits to Federal employees my proposal for substantial improvement in benefits under the retirement system.

4. An opportunity should be given to all Federal employees to express their views upon their inclusion in the social-security system.

The bill which I have introduced would provide for an increase in the basic formula for computing annuities under the retirement system. It will extend to Federal employees coverage under the social-security system. And it will become effective only if approved by a majority of Federal employees eligible under the retirement system.

Under my bill, the Civil Service Commission would be directed to conduct a referendum, in which each eligible employee would be advised of the proposed substantive changes in the retirement laws. After at least 3 months' notice, each employee would express his wishes by secret written ballot. The substantive changes in the law would become effective only if they are accepted and approved by a majority of affected employees. If a majority do not approve, the bill would not become effective.

Here are the major changes I propose to submit for employee approval or disapproval:

1. The basic formula for computing annuities would be 1¾ percent of average salary times years of service, in lieu of the existing 1½ percent.

2. New appointees would be under social security immediately, and would pay the regular employee tax. The rate is now 2 percent of the first $4,200 of salary. The rate is scheduled to be increased to 2½ percent in 1960; to 3 percent in 1965; to 3½ percent in 1970; and to 4 percent in 1975. The employing agency would pay the employer tax at the same rates.

3. Employees currently subject to civil-service retirement would become also subject to social security. After 3 years of continuous employment new appointees would come under civil-service retirement (as well as social security). Instead of the present salary deduction of 6 percent for civil-service retirement, the deduction rate would be 3½ percent of the first $4,200 of salary and 6 percent on salary over $4,200.

4. Federal employees would receive all social-security benefits for which they qualify under the laws generally applicable to private industry. An employee with 5 years of Federal service would be guaranteed eligibility for social-security survivor benefits in the event of his death. New employees would be eligible for generous survivor benefits after 1½ years of service, and would qualify for old-age benefits after periods ranging from 1½ to 10 years.

5. Present Civil Service Retirement provisions for age and optional retirement eligibility would be retained, as would eligibility for survivor benefits for widows generally. Benefits would be provided for dependent widowers.

6. Annuities payable before age 65 would be computed under the improved formula of 1¾ percent of average salary (or 1 percent of average salary plus $25), multiplied by years

of service. When the retired employee reached age 65, if eligible for a Social Security benefit, his annuity would be reduced by $25 or less for each year of his service. His combined Civil Service Retirement and Social Security benefits would be larger than the annuity he received before age 65.

7. The annuity of an employee retired for disability would be a minimum of 40 percent of average salary, or the annuity he would have earned by age 60 if less.

In summary, my bill would (1) retain and improve the best features of the civil service retirement plan, with its promise of substantial rewards for long service, and (2) by extension of social security coverage to Federal employees, provide greater protection, particularly in the area of survivor benefits.

CARE OF MENTALLY ILL OF ALASKA, AMENDMENTS

Mr. MALONE submitted amendments, in the nature of a substitute, intended to be proposed by him to the bill (H. R. 6376) to provide for the hospitalization and care of the mentally ill of Alaska, and for other purposes, which were referred to the Committee on Interior and Insular Affairs, and ordered to be printed.

BENEFITS FOR SURVIVORS OR SERVICEMEN AND VETERANS—AMENDMENT

Mr. LONG. Mr. President, I submit an amendment, intended to be proposed by me to the bill (H. R. 7089) to provide benefits for the survivors of servicemen and veterans, and for other purposes, and ask that it be appropriately referred. I ask unanimous consent that the amendment, together with an explanatory statement of the amendment, be printed in the RECORD.

The PRESIDENT pro tempore. The amendment will be received, appropriately referred, and printed; and, without objection, the amendment and explanatory statement will be printed in the RECORD.

The amendment was received, and referred to the Committee on Finance, as follows:

On page 78, immediately preceding line 1, insert the following new subsection:

"(u) (1) Section 207 (b) of the Legislative Reorganization Act of 1946 (60 Stat. 812, as amended; 5 U. S. C. 191a, 275) is amended by adding at the end thereof the following new sentence: 'Whenever it is determined that any payment is due and payable under this subsection to any person in consequence of the correction of any military or naval record pursuant to subsection (a), such payment shall be due and payable effective on the date on which application for the making of such correction was filed.'

"(2) Subparagraph I (a) (3) of part I of Veterans' Regulation Numbered 2 (a) is amended to read as follows:

"'(3) Where a claim has been finally disallowed, a subsequent claim on the same factual basis, if supported by new and material evidence, shall have the attributes of a new claim, except that whenever any disallowed claim is reopened and thereafter allowed on the basis of new and material evidence resulting from the correction of the military or naval records of the proper Service Department the date of application for the pension so awarded shall be deemed to be the date of receipt of the original application therefor.'

"(3) The amendments made by this subsection shall be effective as of August 2, 1946, except that no payment shall be made for any period before the date of enactment of this subsection unless application therefor is made within 1 year after the date of enactment of this subsection."

The explanatory statement presented by Mr. LONG is as follows:

STATEMENT BY SENATOR LONG

This amendment is designed to remove an inequity from existing law in connection with those claims for benefits by survivors of military personnel which depend upon obtaining a correction in military records. Under existing law, benefits can be paid only for the period after the change in military records has been accomplished and a new claim filed with the Veterans' Administration.

In my opinion, this is unjust. As anyone knows who has made such an attempt, it is extremely difficult to obtain any correction in military records. Anyone who succeeds in obtaining a formal correction of a record should certainly not be penalized by being denied benefits during the lengthy process which is required.

I should like to emphasize that the scope of this proposed amendment is very narrow. It would apply only to those cases in which a claim for benefits is denied because of entries in official military records. The change in the law would apply only to those cases in which an application to change the military record is subsequently accepted. The only additional benefits which would be paid would be those during the period the application for change in the military record is being processed.

It is my hope that the Department of Defense and the Veterans' Administration will give their approval to this proposed amendment and that it can be made a part of H. R. 7089, which is scheduled for consideration by the Finance Committee in the near future.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. JENNER:

Address delivered by him before the Inland Daily Press Association, Chicago, Ill., February 27, 1956, on the subject of the Communist conspiracy.

By Mr. MORSE:

A statement by him entitled "Enactment of Poultry Inspection Legislation Imperative."

By Mr. CASE of New Jersey:

Letter to Senator NEELY from Senator MCNAMARA, Senator MORSE, and himself relative to mass transportation problems in the District of Columbia.

NOTICE OF CONSIDERATION OF NOMINATION OF LOWELL C. PINKERTON TO BE AMBASSADOR TO THE SUDAN

The PRESIDENT pro tempore. As a Senator, and as chairman of the Committee on Foreign Relations, the Chair desires to announce that the Senate received today the nomination of Lowell C. Pinkerton, of Missouri, a Foreign Service officer of the class of career minister, to be Ambassador of the United States of America to the Sudan. Notice is given that this nomination will be considered by the Committee on Foreign Relations at the expiration of 6 days.

NOTICE OF CONSIDERATION OF NOMINATION OF JAMES W. BARCO, OF VIRGINIA, TO BE A DEPUTY REPRESENTATIVE IN THE SECURITY COUNCIL OF THE UNITED NATIONS

The PRESIDENT pro tempore. As a Senator, and as chairman of the Committee on Foreign Relations, the Chair desires to announce that the Senate received today the nomination of James W. Barco, of Virginia, to be a Deputy Representative of the United States of America in the Security Council of the United Nations. Notice is given that this nomination will be considered by the Committee on Foreign Relations at the expiration of 6 days.

CONDITION OF WEST COAST SHIPYARDS

Mr. NEUBERGER. Mr. President, I ask unanimous consent that there appear in the body of the RECORD a resolution adopted at a recent conference of the International Association of Machinists. This conference, held in Portland, Oreg., my home city, was attended by representatives and delegates of this organization from each port on the Pacific coast.

The general vice president, in a letter to me, points out the very deplorable situation concerning our shipyards in the United States. Mr. President, this letter points out that the United States is now ranked in 10th place, due to the lack of construction and repair of ships.

There are 84 class 1 shipyards on the Pacific coast. Approximately 2,000 machinists are employed, at the last report. This is far from the figure of over 100,000 who worked in these 84 shipyards during the war. Of the thousands no longer employed, undoubtedly a great percentage has been forever lost to the ship-building industry. What, Mr. President, would we do if an emergency arose? Is it possible to recruit quickly and efficiently more than 98,000 machinists? Is it not to prevent such a possible occurrence that the act of May 17, 1938—title 34, United States Code, section 498j—places on the shoulders of the President of the United States the responsibility to see that the shipyards of the west coast are given a sufficient share of the Nation's ship construction and repair to maintain these yards and their manpower in condition for any rapid expansion which an emergency might necessitate? I believe the exact wording of that act reads:

The Navy Department shall construct upon the Pacific coast of the United States such vessels as the President of the United States may determine to be necessary in order to maintain shipyard facilities upon the Pacific coast necessary and adequate to meet the requirements of national defense. (May 17, 1938, ch. 243, sec. 11, 52 Stat. 403.)

Under the conditions described in Mr. McBreen's letter to me, which I have drawn on for information, one may properly ask whether this act is being even loosely adhered to by the present administration.

I know the people in the Northwest will deeply appreciate any action the

White House may take which will implement the statement I have quoted from the act of May 17, 1938.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas since our zone conference of last year, the various agencies of our Government interested in shipbuilding and ship-repair facilities on the Pacific coast, have, along with State agencies, conducted hearings and investigations up and down the Pacific coast checking the facilities of our shipbuilding and ship-repair yards and the availability of skilled manpower; and

Whereas while these hearings and investigations were going on, the American shipbuilding and ship-repair industry has dropped from its 4th place position of 1954, to 10th place in 1955 in the world shipbuilding standings, behind Great Britain, Germany, Japan, Sweden, Holland, France, Italy, Norway, and Denmark; and

Whereas at the present time, according to the latest available statistics, June 1955, there are on order by United States companies and their affiliates, in foreign yards, for foreign registry, over 62 vessels to be built; and

Whereas on the same date United States companies, or their affiliates have on order in United States shipyards only eight vessels: Therefore be it

Resolved, That the Pacific Zone Marine Conference of the International Association of Machinists assembled in the city of Portland, Oreg., on this 17th day of January 1956, strongly urges that Congress in session institute a merchant marine and shipbuilding program within the boundaries of the United States to prevent further decay of our shipyard facilities, and the restoration of our merchant fleet, as well as the retention of our skilled craftsmen employed in our private shipyards. That Congress must bring back to the private shipyards in the United States, the shipbuilding and ship-repair work now being done in foreign yards by American companies, and by the Government itself; now, therefore, be it further

Resolved, That if necessary our offshore procurement program be revised to protect our American shipbuilding and ship-repair industry.

S. 3444 WOULD IMPERIL NATIONAL FOREST CONSERVATION POLICIES

Mr. NEUBERGER. Mr. President, I desire to make a brief statement today in opposition to Senate bill 3444, which would most adversely affect my State by leading to elimination of the national forests.

Mr. President, as one of the Senators from a State in which the Federal Government owns 51 percent of all the land, and in which the national forests, owned and managed by the United States Forest Service, are of primary importance to the economy, the water supply, and the recreational opportunities of the people, I am concerned about proposals which look toward dismantling these great national assets under the guise of States rights. Such a proposal is contained in a bill which recently has been introduced in the Senate by the distinguished junior Senator from Louisiana [Mr. LONG]—S. 3444—which would create a series of individual Federal-State land study commissions to develop plans for the disposal of Federal land in the different States. I believe that the objectives of this bill are of such far-reaching importance to States such as Oregon, that it deserves to be brought to the attention of the people of Oregon and other States which are concerned about the protection of the federally held natural resources within their borders.

Senate bill 3444 is based on the views of the present Republican administration regarding the management of the resources which are held by the Federal Government for all the people of this country. According to its sponsor, the bill reflects the ideas of the Hoover Commission Task Force on Real Property Management and the President's Commission on Intergovernmental Relations, that Federal lands should be transferred to State or private ownership.

Those study groups recommended a special presidential commission for the purpose of planning and carrying out such transfers on a national basis. But Senate bill 3444 would go beyond that; it proposes an individual commission for each State which requests one, with participation by members nominated by the governor of the State. This would facilitate dismemberment of the public domain, one State at a time. Furthermore, disposal plans prepared by the administration to carry out the recommendations of such a Federal-State land commission would be subject to only a negative veto by Congress—that is, both Houses of Congress would have to adopt a resolution of disapproval within 60 days, in order to block the proposed disposal of Federal land.

Mr. President, among all the lands held by the Federal Government, the 161 million acres of our 150 national forests are the most valuable national asset. Their continued existence and sound management are the keystone to all conservation policy in the United States. Large Western cities, such as Portland, Seattle, and Denver, depend upon national forest watersheds for pure drinking water. The whole pattern of native American wildlife and of outdoor sports such as hiking, camping, hunting, and fishing, depends on these forests. And, as I have said, the timber supply of the Nation and the economy of the States which furnish the supply depend on their maintenance and continued sound management.

Of course, this situation may not be of such great importance in Louisiana; and the junior Senator from Louisiana may not have had the national forests specifically in mind in introducing his bill. But their prominence in value among the Federal public lands is such that we cannot doubt that immense pressures would be brought to bear to have them parceled out to States and private owners, were Senate bill 3444 enacted. The Nation still remembers that only recently we saw an example of these pressures when the Federal offshore oil reserves were turned over to the four States of Texas, California, Louisiana, and Florida. And in the field of timber management we have precedent in regard to what may happen when Federal forest lands are transferred to States. When my own State of Oregon was admitted to the Union, it received 4,203,000 acres of public lands for "school purposes." Of these acres, only 765,000 are still held in trust for schools; yet only $10,771,000 from these lands is held in permanent school-fund accounts. Many valuable stands of Douglas fir were sold by the State legislature for $3.16 an acre, which would be worth $1,000 later on. In view of the history of the management of natural resources in this country, we have little reason to believe that if these lands were to be parceled out among individual State governments, they would be as safe from covetous hands as they have been in the trust of the National Government since the days of Theodore Roosevelt and Gifford Pinchot.

The Federal-State land commissions proposed by Senate bill 3444 would only submit recommendations for land disposal; but there can be no doubt that a policy of widespread disposal would be the whole basis for their existence, and that this administration would carry out their recommendations. Thus it is, in effect, proposed to permit the administration to parcel out the public domain; and Congress would have no further control over this wholesale and retail dismemberment and disposal, except by passing a concurrent resolution in each instance in which it desired to prevent a sale and to retain the property in Federal ownership.

Mr. President, I can see no reason for such an abdication of congressional authority over the Federal lands, and I urge that Senate bill 3444 be subjected to the most searching scrutiny before any action is even begun toward such a radical and far-reaching reversal of our historic conservation policies.

SURVEY AND SPECIAL STUDIES OF SICKNESS AND DISABILITY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1741, Senate bill 3076.

The PRESIDENT pro tempore. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3076) to provide for a continuing survey and special studies of sickness and disability in the United States, and for periodic reports of the results thereof, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the request for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with an amendment on page 2, in line 11, after the word "secure", to insert "on a noncompulsory basis", so as to make the bill read:

Be it enacted, etc., That this act may be cited as the "National Morbidity Survey Act."

SEC. 2. (a) The Congress hereby finds and declares—

(1) that the latest information on the number and other relevant characteristics of persons in the country suffering from heart disease, cancer, diabetes, arthritis and rheumatism, and other diseases, injuries, and handicapping conditions is now seriously out of date; and

(2) that periodic inventories providing reasonably current information on these matters are urgently needed for purposes such as (A) appraisal of the true state of health of our population (including both

adults and children), (B) adequate planning of any programs to improve their health, (C) research in the field of chronic diseases, and (D) measurement of the numbers of persons in the working ages so disabled as to be unable to perform gainful work.

(b) It is, therefore, the purpose of this act to provide for a continuing survey and special studies to secure on a noncompulsory basis accurate and current statistical information on the amount, distribution, and effects of illness and disability in the United States and the services received for or because of such conditions.

SEC. 3. Part A of title III of the Public Health Service Act (42 U. S. C. ch. 6A) is amended by adding after section 304 of the following new section:

"NATIONAL MORBIDITY SURVEYS AND STUDIES

"SEC. 305. (a) The Surgeon General is authorized to make, by sampling or other appropriate means, surveys and special studies of the population of the United States to determine the extent of illness and disability and related information such as: (1) The number, age, sex, ability to work or engage in other activities, and occupation or activities of persons afflicted with chronic or other disease or injury or handicapping condition; (2) the type of disease or injury or handicapping condition of each person so afflicted; (3) the length of time that each such person has been prevented from carrying on his occupation or activities; (4) the amounts and types of services received for or because of such conditions; and (5) the economic and other impacts of such conditions.

"(b) The Surgeon General is authorized, at appropriate intervals, to make available, through publications and otherwise, to any interested governmental or other public or private agencies, organizations, or groups, or to the public, the results of surveys or studies made pursuant to subsection (a).

"(c) For each fiscal year beginning after June 30, 1956, there are authorized to be appropriated such sums as the Congress may determine for carrying out the provisions of this section.

"(d) To assist in carrying out the provisions of this section the Surgeon General is authorized to cooperate and consult with the Departments of Commerce and Labor and any other interested Federal departments or agencies and with State health departments. For such purpose he may also utilize the services or facilities of any agency of the Federal Government and, without regard to section 3709 of the Revised Statutes, as amended, of any appropriate State or other public or private agency, organization, group, or individual, in accordance with agreements between the head of such agency, organization, or group, or such individual, and the Secretary of Health, Education, and Welfare. Payment, if any, for such services or facilities shall be made in such amounts as may be provided in such agreement."

Mr. JOHNSON of Texas. Mr. President, at this time I yield to the distinguished chairman of the Committee on Labor and Public Welfare, who will make a brief statement in explanation of the bill. I understand that the bill has been reported unanimously by the committee.

Mr. HILL. Mr. President, the bill has the strong support of the Eisenhower administration and the Department of Health, Education, and Welfare, and is unanimously reported by the Senate Committee on Labor and Public Welfare. Enactment of the bill will meet a very great need—namely, in order that we may have a survey and study of the diseases from which the people of the United States suffer today. Such a study has not been made in the last 20 years. One was made more than 20 years ago by the WPA, but perhaps it was not the most efficient study.

There is a very great need for the making of such a study at this time; and there is an unanimous report on the bill, as I am sure my friend, the distinguished senior Senator from New Jersey [Mr. SMITH], will confirm.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Alabama yield to me?

Mr. HILL. I yield.

Mr. SMITH of New Jersey. Speaking for the Republican side of the committee, I am happy to join in the statement the Senator from Alabama has made. All of us joined in reporting the bill, which was very carefully studied.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3076) was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL INSTITUTE OF DENTAL RESEARCH

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1742, Senate bill 3246.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3246) to increase the amount authorized for the erection and equipment of suitable and adequate buildings and facilities for the use of the National Institute of Dental Research.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas for the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, at this time I yield to the Senator from Alabama, who will make an explanation of the bill.

Mr. HILL. Mr. President, the bill was unanimously reported by the Senate Committee on Labor and Public Welfare. The bill would do nothing but increase the authorization for an appropriation for construction of a building to house adequately the National Institute of Dental Research.

I may say that the original bill, as introduced by the late Senator Taft, then chairman of the Committee on Labor and Public Welfare, carried an authorization of $2 million. Since that time, due to the increase in the cost of many things, we have found that $2 million is not sufficient. This bill will only increase that authorization.

As I have said, the bill has the unanimous support of the Committee on Labor and Public Welfare, as I am sure the distinguished senior Senator from New Jersey [Mr. SMITH] will confirm.

Mr. SMITH of New Jersey. Mr. President, if the Senator from Alabama will yield to me, let me say that I am very glad to join him in supporting the bill. Our committee considered it thoroughly, and joined unanimously in reporting it.

The PRESIDENT pro tempore. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bil.

The bill (S. 3246) was ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That section 5 of the National Dental Research Act, approved June 24, 1948 (Public Law 755, 80th Cong.), is amended by striking out "$2,000,000" and inserting in lieu thereof "$5,000,000."

EDUCATION OF THE BLIND

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1743, Senate bill 3259.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3259) to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instructional material for the blind, to increase the appropriations authorized for this purpose, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Alabama, who will explain the bill.

Mr. HILL. Mr. President, let me say that this bill was also unanimously reported by the Committee on Labor and Public Welfare. The bill does only one thing, namely, it increases the authorization for an appropriation to the American Printing House for the Blind, which, as we know, is in Kentucky. For many years we have made a small appropriation in order that the books published by the American Printing House for the Blind—its books being printed in Braille—may be available to the blind.

Because of the increased cost of so many things today, it is necessary, if we are to meet the need which we have met in the past—namely, the need for education of the blind, that the authorization be increased. I am sure the distinguished senior Senator from New Jersey [Mr. SMITH] will confirm what I have said.

Mr. SMITH of New Jersey. Mr. President, if the Senator from Alabama will yield to me, let me say I am happy to join him in supporting the bill, which has the support of all members—on both sides of the aisle—of the Committee on Labor and Public Welfare.

The PRESIDENT pro tempore. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3259) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the paragraph of section 102 of the act of March 3, 1879, as amended (20 U. S. C. 102), labeled "First" is amended to read as follows:

"First. Such appropriation shall be expended by the trustees of the American Printing House for the Blind each year in manufacturing and furnishing books and other materials specially adapted for instruction of the blind; and the total amount of such books and other materials so manufactured and furnished by such appropriation shall each year be distributed among all the public institutions, in the States and Territories of the United States and the District of Columbia, in which blind pupils are educated. Each public institution for the education of the blind shall receive, in books and other materials, upon requisition of its superintendent, that portion of the appropriation as is shown by the ratio between the number of blind pupils in that institution and the total number of blind pupils in all of the public institutions in which blind pupils are educated. Each chief State school officer shall receive, in books and other materials, upon requisition, that portion of the appropriation as is shown by the ratio between the number of blind pupils in public institutions (in the State) in which blind pupils are educated, other than institutions to which the preceding sentence is applicable, and the total number of blind pupils in the public institutions in which blind pupils are educated, in all of the States and Territories of the United States and the District of Columbia. The ratio referred to in each of the two immediately preceding sentences shall be computed upon the first Monday in January of each year; and for purposes of such sentences the number of blind pupils in public institutions in which blind pupils are educated shall be authenticated in such manner and as often as the trustees of the American Printing House for the Blind shall require. For purposes of this act, an institution for the education of the blind is any institution which provides education exclusively for the blind, or exclusively for the blind and other handicapped children (in which case special classes are provided for the blind); the chief State school officer of a State is the superintendent of public elementary and secondary schools in such State or, if there is none, such other official as the governor certifies to have comparable responsibility in the State; and a blind pupil is a blind individual pursuing a course of study in an institution of less than college grade."

SEC. 3. The act entitled "An act providing additional aid for the American Printing House for the Blind," approved August 4, 1919, as amended (20 U. S. C. 101), is further amended by striking out "$250,000" and inserting in lieu thereof "$400,000."

ADJUSTMENT OF RENTALS UNDER LEASES FOR COMMERCIAL RECREATIONAL FACILITIES AT CLARK HILL RESERVOIR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 1744, Senate bill 3214.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3214) to authorize adjustment, in the public interest, of rentals under leases entered into for the provision of commercial recreational facilities at the Clark Hill Reservoir.

The PRESIDENT pro tempore. Is there objection to the request for the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with an amendment, on page 1, in line 4, before the word "lease", to insert "existing", so as to make the bill read:

Be it enacted, etc., That the Chief of Engineers, under the supervision of the Secretary of the Army, is authorized to amend any existing lease providing for the construction, maintenance, and operation of commercial recreational facilities at the Clark Hill Reservoir, entered into prior to the date of the enactment of this act under section 4 of the act of December 22, 1944, as amended (16 U. S. C. 460d), so as to provide for adjustment, either by increase or decrease, from time to time during the term of such lease of the amount of rental or other consideration payable to the United States under such lease, when and as he determines such adjustment to be necessary or advisable in the public interest. No adjustment shall be made under the authority of this act so as to increase or decrease the amount of rental or other consideration payable under such lease for any period prior to the date of such adjustment.

Mr. JOHNSON of Texas. Mr. President, I yield now to the distinguished junior Senator from South Carolina [Mr. THURMOND], who will explain the bill.

Mr. THURMOND. Mr. President, the purpose of the bill is to authorize the Chief of Engineers, under the supervision of the Secretary of the Army, to amend any lease for the construction, maintenance, and operation of commercial recreational facilities at the Clark Hill Reservoir, entered into prior to the date of enactment of this act under section 4 of the act of December 22, 1944, as amended (16 U. S. C. 460d), so as to provide for adjustment of rentals from time to time during the term of such leases when and as he determines such adjustment to be necessary or advisable in the public interest.

The bill was reported favorably by the Department of the Army, and the committee has reported it unanimously.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSFER OF CERTAIN LANDS FOR THE BENEFIT OF THE YAVAPAI INDIANS OF ARIZONA

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1740, Senate bill 2851. I ask the attention of my distinguished friend from Arizona [Mr. GOLDWATER].

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2851) to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of the Yavapai Indians of Arizona.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare, with amendments, on page 1, line 3, after the word "over", to strike out "approximately"; in line 4, after the word "and", to strike out "eighty-one" and insert "twenty"; in the same line, after the word "land", to insert "more or less"; and on page 2, line 5, after the word "jointly", to insert a comma and "and in the event a survey is required to make such determination, the Department of the Interior shall bear the expense thereof. The transfer shall be subject to such terms, conditions, reservations, and restrictions as the Administrator of Veterans' Affairs, after consultation with the Secretary of the Interior, determines to be necessary to protect the interest of the Veterans' Administration Center, Whipple, Ariz.", so as to make the bill read:

Be it enacted, etc., That jurisdiction over 1,320 acres of land, more or less, formerly a part of the Fort Whipple Military Reservation, Ariz., and subsequently transferred to the Veterans' Administration by section 6 of the act of March 4, 1931 (46 Stat. 1550), is hereby transferred to the Secretary of the Interior, and the title to such lands shall be held by the United States in trust for the Yavapai Indians, subject to any valid and existing rights in such lands. The description of the lands hereby transferred shall be determined by the Administrator of Veterans' Affairs and the Secretary of the Interior, jointly, and in the event a survey is required to make such determination, the Department of the Interior shall bear the expense thereof. The transfer shall be subject to such terms, conditions, reservations, and restrictions as the Administrator of Veterans' Affairs, after consultation with the Secretary of the Interior, determines to be necessary to protect the interest of the Veterans' Administration Center, Whipple, Ariz.

Mr. HILL. Mr. President, the bill was introduced by the distinguished junior Senator from Arizona [Mr. GOLDWATER]. It was unanimously reported from the Senate Committee on Labor and Public Welfare. The bill has the support of the Department of the Interior and the Veterans' Administration. All it does is to permit the transfer from the Veterans' Administration to the Department of the Interior of certain lands which are not now needed by the veterans, in order that the lands may be used by the Indians in Arizona for grazing purposes.

I am sure the distinguished Senator from New Jersey [Mr. SMITH] will confirm what I have said.

Mr. SMITH of New Jersey. Mr. President, I was very happy to join with the Senator from Alabama in reporting the bill favorably from our committee.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRIBUTE TO COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. JOHNSON of Texas. Mr. President, I wish to express my appreciation

to the distinguished chairman of the Committee on Labor and Public Welfare [Mr. HILL] and the distinguished ranking minority member and former chairman [Mr. SMITH of New Jersey] for their efficient work today. Four bills were unanimously reported from their committee. They were reported only after they had received thorough consideration. I think it is a circumstance we all ought to note. The Senate has sufficient confidence in these men and the thorough work of their committee that four measures of major importance were handled in less than 25 minutes by the Senate.

I am sure I speak for the minority leader when I say that we are grateful for the efficiency and thoroughness which the members of this committee have demonstrated in their committee work.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HILL. I wish to express the thanks and appreciation of the committee for the very fine help and cooperation of the distinguished majority leader, and also the very fine cooperation of the minority leader. Both the Senator from Texas and the Senator from California [Mr. KNOWLAND] have not only been very helpful in expediting the passage of these four bills, but they are always most helpful and cooperative toward the Senate Committee on Labor and Public Welfare.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. SMITH of New Jersey. Mr. President, I wish to add a word to express my appreciation for the cooperation of the majority leader and the minority leader in expediting the passage of these bills. Also I wish to pay special tribute to the chairman of our committee [Mr. HILL] who helped us in expediting the passage of these bills today.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HILL. These bills could not have been passed without the very fine help and cooperation, and the enthusiastic support, of the distinguished Senator from New Jersey [Mr. SMITH].

JURISDICTION OF DISTRICT COURTS IN CERTAIN CIVIL ACTIONS AGAINST THE UNITED STATES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1601, Senate bill 2042.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2042) to restore the jurisdiction of the district courts in certain civil actions brought against the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. I ask the distinguished senior Senator from Kentucky [Mr. CLEMENTS] to make a brief explanation of the bill.

Mr. CLEMENTS. Mr. President, the purpose of the proposed legislation is to insert a saving clause in section 1346 (d) (2) of the Judicial Code so as to restore to the jurisdiction of the district courts certain wage claims which were pending on October 31, 1951, and which were dismissed solely because the Judicial Code was then amended to take away the jurisdiction of the district courts over claims by employees of the United States for salary or wages.

So far as is known there were only about 100 very small salary claims pending in either the district courts or the Sixth Circuit Court of Appeals which were inadvertently prejudiced by the October 31, 1951, amendment.

It should be emphasized that the purpose of this legislation is merely to enable approximately 100 salaried employees of the United States to have a day in court as to whether they are legally entitled to certain salary or overtime payments.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Judicial Code (28 U. S. C., sec. 1346 (d)) is amended as follows:

"(d) The district courts shall not have jurisdiction under this section of—

"(1) any civil action or claims for a pension; and

"(2) any civil action or claim to recover fees, salary, or compensation for official services of officers or employees of the United States: *Provided*, That the exclusion of claims to recover fees, salary, or compensation from the jurisdiction of the district court as set forth in subsections (d) (1) and (2) of this section shall not affect the jurisdiction of the district courts in cases which were pending in the district courts or in the courts of appeals on October 31, 1951, and any such pending cases which may have been dismissed by reason of the withdrawal of jurisdiction during their pendency, shall be restored upon petition to the appropriate court."

Mr. STENNIS subsequently said: Mr. President, I ask unanimous consent that the Senate reconsider the vote by which it passed S. 2042, to restore jurisdiction of the district courts in certain civil actions brought against the United States.

Mr. MORSE. Mr. President, I did not quite understand the Senator's request.

Mr. STENNIS. I have asked that the Senate reconsider the vote on Calendar No. 1601, S. 2042, which was passed this morning. It has been discovered that there is a companion bill now before the Committee on the Judiciary. It would simplify matters if the Senate would reconsider its vote on the Senate bill, discharge the committee from further consideration of the House bill, and if the Senate were to pass the House bill amended by substituting the text of the Senate bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and the vote is reconsidered.

Mr. STENNIS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of H. R. 5862.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I move that the Senate proceed to the consideration of H. R. 5862.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5862) to confer jurisdiction upon United States district courts to adjudicate certain claims of Federal employees for the recovery of fees, salaries, or compensation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. STENNIS. Mr. President, I ask unanimous consent that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the text of the Senate bill.

The PRESIDING OFFICER. The Secretary will state the amendment.

The amendment was to strike all after the enacting clause and to insert the following:

That the Judicial Code (28 U. S. C., sec. 1346 (d)) is amended as follows:

"(d) The district courts shall not have jurisdiction under this section of—

"(1) any civil action or claims for a pension; and

"(2) any civil action or claim to recover fees, salary, or compensation for official services of officers or employees of the United States: *Provided*, That the exclusion of claims to recover fees, salary, or compensation from the jurisdiction of the district court as set forth in subsections (d) (1) and (2) of this section shall not affect the jurisdiction of the district courts in cases which were pending in the district courts or in the courts of appeals on October 31, 1951, and any such pending cases which may have been dismissed by reason of the withdrawal of jurisdiction during their pendency, shall be restored upon petition to the appropriate court."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. STENNIS. Mr. President, I ask unanimous consent that S. 2042 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

LYDIA G. DICKERSON

Mr. JOHNSON of Texas. Mr. President, there is one more bill for which I desire present consideration. The Senate can then return to the morning hour. I appreciate the indulgence of my colleagues and their cooperation.

I ask unanimous consent for the present consideration of Calender No. 1615, Senate bill 1687.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1687) for the relief of Lydia G. Dickerson.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 1, after the word "act", to insert a colon and "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (1) of section 212 (a) of the Immigration and Nationality Act, Lydia G. Dickerson may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act. The provisions of this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

Mr. JOHNSON of Texas. Mr. President, the purpose of the bill, as amended, is to waive the excluding provision of existing law relating to one who is feebleminded in behalf of the minor child of a United States citizen. The bill has been amended to provide for the posting of a bond as a guaranty that the beneficiary will not become a public charge.

I ask unanimous consent that the statement of facts contained in the committee report be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF FACTS

The beneficiary of the bill is a 6-year-old native and citizen of Germany who presently resides in that country. Her mother was married to Cpl. John Truman Dickerson, a citizen of the United States, on April 13, 1954, in Germany. The beneficiary has been found inadmissible to the United States because she has been certified as being feebleminded. Corporal Dickerson is presently stationed at Fort Riley, Kans., and without the waiver provided for in the bill, the beneficiary will be unable to accompany her mother to the United States for permanent residence.

A letter, with attached memorandum, dated July 29, 1955, to the chairman of the Senate Committtee on the Judiciary from the Commissioner of Immigration and Naturalization with reference to the case, reads as follows:

UNITED STATES
DEPARTMENT OF JUSTICE,
IMMIGRATION AND
NATURALIZATION SERVICE,
Washington, D. C., July 29, 1955.

Hon. HARLEY M. KILGORE,
Chairman, Committee on the Judiciary, United States Senate, Washington, D. C.

DEAR SENATOR: In response to your request for a report relative to the bill (S. 1687) for the relief of Lydia G. Dickerson, there is attached a memorandum of information concerning the beneficiary. This memorandum has been prepared from the Immigration and Naturalization Service files relating to the beneficiary by the Kansas City, Mo., office of this Service, which has custody of those files.

The bill would waive the provisions of the Immigration and Nationality Act which excludes from admission into the United States aliens who are feebleminded and would permit the beneficiary to enter the United States for permanent residence if she is found to be otherwise admissible. The bill also provides that this exemption shall apply only to a ground of exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

Sincerely,

———— ————,
Commissioner.

"MEMORANDUM OF INFORMATION FROM IMMIGRATION AND NATURALIZATION SERVICE FILES RE LYDIA G. DICKERSON, BENEFICIARY OF S. 1687

"The information concerning the beneficiary was furnished by her natural father, Cpl. John Truman Dickerson, the sponsor of the bill.

"The beneficiary, Lydia G. Dickerson, a native and citizen of Germany, was born on August 9, 1949. She is presently residing at a special speech institute known as Sonnenhaus at Auf Schloss Seckendorff, 13a Unterleinleiter, Germany. Her mother resides in Germany. The beneficiary has never been in the United States and, according to the sponsor, was refused an immigrant visa by the American consul at Munich, Germany, because she was certified by the United States Public Health Service as being feebleminded. The committee may wish to make inquiry of the Visa Office of the Department of State for further information in this connection.

"The sponsor was born on July 9, 1930, at Butler, Mo. He completed 2 years high school. He has served in the United States Army since April 4, 1951, and is presently stationed at Fort Riley, Kans. He has stated that he expects to make the Army his career. Corporal Dickerson was stationed in Germany in 1948 as a civilian at which time he met the beneficiary's mother, whom he married on April 13, 1954. He claims to have adopted the beneficiary in Germany in June 1954. His earnings are about $150 per month and he has cash savings of about $400. He was arrested in 1950 for stealing chickens, which charge was dismissed on October 2, 1951. He has stated that he will take leave and travel to Germany for the beneficiary if she is permitted to enter the United States."

Senator STUART SYMINGTON, the author of the bill, has submitted the following information in support of the bill:

UNITED STATES SENATE,
April 18, 1955.

Hon. HARLEY M. KILGORE,
Chairman, Subcommittee on Immigration, United States Senate, Washington, D. C.

DEAR HARLEY: On April 14, 1955, I introduced S. 1687, for the relief of Lydia G. Dickerson, copy attached.

This child is the daughter of Cpl. John Dickerson, who is now stationed at Fort Riley, Kans. I have been endeavoring to assist him in bringing his wife and daughter to the States. Mrs. Margarete A. Dickerson was found eligible for a visa in all respects. However, her daughter's case was deferred for 1 year, or until October 14, 1955.

I quote from a letter received from the Visa Office:

"The neuropsychiatric consultant of the United States Public Health Service who examined the 5-year-old child deferred her for 1 year on account of her functioning currently at a retarded intellectual level. The report which the consulate general received from the Public Health Service stated that after the deferral period it will be possible to determine whether schooling will assist in improving her level of functioning."

The reason for the introduction of this bill by me is because I cannot see why a child of that age should not accompany its mother—what should be done? By waiting until the deferral date, next October, and if she were still found not intellectual enough to meet the requirements, then should she be abandoned?

Thanking you for your early and favorable consideration of this legislation, I am,

Sincerely,

STUART SYMINGTON.

On February 3, 1956, the Department of State informed the committee that on the basis of additional tests given the beneficiary following the 1-year deferral period, she is still feebleminded, and, therefore, there is no administrative remedy available.

The committee, after consideration of all the facts in the case, is of the opinion that the bill (S. 1687), as amended, should be enacted.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ACCOMPLISHMENTS OF THE SENATE THUS FAR IN THE PRESENT SESSION

Mr. JOHNSON of Texas. Mr. President, I wish to express my thanks to the Senate for action on the bills which have been disposed of today. I have a brief statement to make for the RECORD, and then I shall yield the floor to my colleagues, who have been so kind and generous in indulging me during the past 25 minutes.

As of March 28, 1956, the Senate has been in session 54 days during 1956. As of March 31, 1955, the Senate had been in session 38 days.

Of the total of 337 Senate and House bills and Senate and House joint resolutions, 117 have been general legislation and 220 private bills. It is estimated that only 40 or 50 of the measures passed by March 1, 1955, were general bills. Fifty of the more important bills passed by the Senate so far this year are listed in a statement which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

As of March 28, 1956, the Senate had been in session 54 days. As of March 31, 1955, there had been 38 session days.

Of the total of 337 Senate and House bills and Senate and House joint resolutions, 117 have been general legislation and 220 private bills. It is estimated that only 40 or 50 of the 140 measures passed by March 31, 1955, were general bills. Fifty of the more important bills passed by the Senate so far this year are listed below:

1. H. R. 12, the farm bill: A bill to provide an improved farm program, and including a soil-bank provision.

2. H. R. 8780, the farm gasoline bill: Relieves farmers from paying excise taxes on gasoline and fuels used on the farm, and directs a refund of taxes paid on such gasoline in 1956.

3. House Joint Resolution 471, home disaster relief: Permits the FHA to provide

title I repair assistance to new homes damaged by major disasters.

4. H. R. 7871, disaster loans: Increases to $375 million the funds available to the Small Business Administration for disaster loans.

5. S. 2861, emergency highway funds: Authorizes an increase from $10 million to $30 million in emergency relief highway funds for fiscal year 1956, as a result of flood and hurricane damage.

6. H. R. 6645, natural gas bill: Freed independent natural-gas producers from direct Federal (FPC) price control.

7. H. R. 7930, Russian River project: Authorizes completion of the initial stage of development at Russian River Basin, Calif., a flood control and irrigation project.

8. S. 3116, cultural and athletic exchanges: Provides a permanent program for United States participation in international cultural, athletic, and industrial fairs.

9. H. R. 2552, Great Lakes channels: Authorizes the modification of existing connecting channels above Lake Erie, to provide deeper channels on several tributaries.

10. H. R. 6309, Mississippi-gulf outlet: Provides for a new channel between the gulf and the Mississippi waterway system, for deep-draft shipping.

11. H. R. 7036, limitation on retirement income: Increases from $900 to $1,200 the amount a person under 72 can earn before his over 65 retirement credit must be reduced.

12. S. 2990, polio vaccine: Extends to June 30, 1957, authority to make grants to the States, for their provision of Salk vaccine to children and expectant mothers.

13. H. R. 1855, forest research: Authorizes a permanent program of United States contribution to specialized forest, range, and watershed research.

14. H. R. 7236, soil conservation: Authorizes Federal assistance in soil-conservation programs to farmers in all areas, not merely arid sections of the United States.

15. S. 2887, security of juries: Makes a criminal offense the tapping, recording, or unauthorized observance of grand and petit jury deliberations.

16. H. R. 3233, fleeing arson prosecution: Makes it a Federal offense to move across State lines to avoid prosecution or custody for arson.

17. H. R. 7201, life-insurance company tax: Establishes new system of taxing income of life-insurance companies: reforms tax laws on investments by life-insurance companies; and amends the law regarding new insurance companies.

18. H. R. 5614, FCC complaints: Allows the FCC to demur to protests against the authorization of grants, and to dismiss insubstantial protests, after oral argument, without hearings.

19. S. 1456, FCC procedure: Permits the FCC to dispense with certain duplicatory procedures relating to reports and hearings, where communications carriers are jointly owned or where consolidations are desired.

20. S. 1135, Civil Air Patrol: Extends the benefits of the Federal Employees Compensation Act to senior CAP members.

21. Executive Q, 83d Congress, 1st session, treaty, commercial samples: Ratified the international convention to facilitate importation of commercial advertising samples.

22. H. R. 8100, submarines to Brazil: Authorizes the loan of 2 reserve submarines to Brazil, for 5 years, and authorizes MDAP payment of outfitting costs.

23. H. R. 6712, tax revision: Amends section 1237 of the code to afford capital gains treatment to corporations or individuals holding foreclosed land for 10 years, subdividing and selling, unless as part of a real estate trading business.

24. H. R. 1726, Federal Seed Act: Provides a civil action for violation of the analysis and labeling provisions of the act.

25. H. R. 8107, Reserve Act amendment: Equalizes, the pay scales of reservists called to 6-month training duty with those of National Guard members, and provides increased medical and disability benefits.

26. H. R. 7030, Sugar Act: Extending to December 31, 1962, the legislation under which domestic and imported sugar is controlled in the United States. Modifies the distribution formula for increased sugar requirements as between domestic and foreign producers and among foreign producers.

27. S. 2884, durum wheat: Extends to the 1956 durum wheat crop the increased acreage allotment provided for 1955.

28. H. R. 8320, school milk-brucellosis programs: Authorizes an additional $10 million for the school-milk program, or from $50 to $60 million; and $2 million for the brucellosis program, or from $15 million to $17 million through June 30, 1956.

29. H. R. 6574, motor-vehicle registration plates: Reestablishes the former fee of $1 for the transfer of motor vehicle registration plates from one vehicle to another during the course of a registration year in the District of Columbia.

30. H. R. 9063, urgent deficiency for 1956 appropriating $64,670,201.

31. H. R. 9064, Treasury-Post Office Appropriation Act for 1957, appropriating $3,629,139,000.

32. House Joint Resolution 582, authorizing an additional $13 million for unemployment compensation for Federal employees to be derived from transfer from the appropriation for unemployment compensation for veterans, 1956.

33. H. R. 9770, Federal contribution: Authorizes the annual payment by the Federal Government to be increased $3 million toward the cost of operating the District of Columbia government for fiscal 1957 and for each fiscal year thereafter.

34. S. 1777, disabled—reduced rates: Permits common carriers to transport, for one fare, a disabled person and his attendant, if an attendant is required for such person.

35. S. 2438, Maj. Walter Reed: Amends the act of 1929 which provided a pension of $125 monthly to Major Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever by increasing such pensions to $200 per month.

36. H. R. 2667, Internal Revenue Code: Makes effective December 31, 1947 (now 1950) the estate tax provisions of the Internal Revenue Code which provide that there shall not be included in a decedent's estate, property previously transferred in trust as to which the decedent retained certain discretionary powers if for at least 3 months prior to December 31, 1947, and up to his death he was under a mental disability.

37. H. R. 4376, duty free: Adds to the free list of the 1930 Tariff Act, handwoven fabrics imported by religious societies for use in making vestments.

38. H. R. 4582, amends the 1954 Internal Revenue Code, section 381 (c), to permit parent corporations acquiring subsidiary corporations under the 1939 Revenue Code under tax-free liquidations or mergers to deduct from gross income the unused contributions of the subsidiary to pension funds.

39. H. R. 5428, amends the Revenue Code of 1939 to provide that where a transferee or fiduciary by agreement waives the statute of limitations for the assessment of additional income taxes, the statutory period for credits or refunds shall be similarly extended.

40. H. R. 7054, amends the Internal Revenue Code of 1939 to provide an election for executors of a credit against the estate tax for the amount of tax paid on property which passed to the decedent from a spouse who died within 2 years prior to the decedent's death.

41. H. R. 7094, amends the 1939 code to allow for all taxable years governed by that code an unlimited charitable deduction where in 8 out of 10 of the preceding years the individual's contributions to charity and his income-tax payments are equal to 90 percent or more of his taxable income.

42. H. R. 7247, adds to the 1954 Revenue Code a new section which provides for the recognition of no gain in the recapitalization of a railroad corporation under the bankruptcy laws or in receivership proceedings where the property of a transferor corporation is exchanged solely for securities or stock of the transferee.

43. H. R. 7282, amends the Internal Revenue Code of 1939 to provide that in the computation of credits allowable for the corporate dividends received, dividends paid and Western Hemisphere trade corporations, corporations in determining their adjusted net income shall include their net long-term capital-gain income even though it may have been subject to the alternative 25-percent tax rate.

44. S. 1146, removes requirement that reasonableness of attorney's fees, in regard to claims under Trading With the Enemy Act, be passed on by Alien Property Office.

45. Senate Joint Resolution 95, authorizes the American Battle Monuments Commission to prepare plans and estimates for the erection of a suitable memorial to Gen. John J. Pershing, and to make its recommendations on the site and design to Congress as early as practicable.

46. H. R. 7634, amends the Internal Revenue Code of 1954 to exempt from the stamp tax the issuance of debt certificates sold under installment arrangements whereby the obligee may not pay more than 20 percent annually of the total maturity value.

47. H. R. 9166, provides a 1-year extension of the present corporate income tax and the existing rates of certain excises, which were scheduled for reduction on April 1, 1956.

48. H. R. 6904, establishes a public national memorial for Booker T. Washington, who, through prodigious efforts and many great contributions to his people and all mankind, was elected to the Hall of Fame.

49. S. 500, Colorado River storage: Authorizes construction, operation, and maintenance of the Colorado River storage project.

50. S. 898, trip leasing: Defines the legal standards for truck trip leasing by farmers, farm cooperatives, and private carriers.

Mr. JOHNSON of Texas. Every Member of the Senate, particularly the distinguished Senator from Maine [Mr. PAYNE], has a right to be proud of the work which has been done by the Senate in less than 90 days since the Congress reconvened in January. The Senator from Maine presided when most of these bills were passed. Efficient committee work, efficient work on the part of presiding officers, and complete understanding between majority and minority leadership, resulted in our passing 412 bills from January 3 to March 28. During the same period last year we had acted upon only 140.

This year we passed 161 House bills. Last year we had passed only 10 at this stage. This year we passed 158 Senate bills. Last year at this time we had passed only 62.

In order that the Senate and the country may realize what we have done during the last 90 days, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement bringing us up to date on the work of the Senate through March 28, and comparing the record this year with the work done during the same period last year.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Measures passed by Senate through Mar. 28, 1956

Senate bills	158
House bills	161
Senate joint resolutions	7
House joint resolutions	11
Senate concurrent resolutions	11
House concurrent resolutions	3
Senate resolutions	61
Total	412

Measures passed by Senate through Mar. 31, 1955

Senate bills	62
House bills	10
Senate joint resolutions	3
House resolutions	3
Senate concurrent resolutions	3
House concurrent resolutions	7
Senate resolutions	52
Total	140

At this time we do not have accurate information on how many of the bills passed were general as distinct from private legislation. It would seem a safe guess, however, that at least two-thirds, or 94 of the 140 bills passed were private measures.

As of March 31, 1955, the Senate had been in session 38 days.

Mr. JOHNSON of Texas. I yield the floor.

SEIZURE OF PROPERTY OF COMMUNIST PARTY AND COMMUNIST DAILY WORKER

Mr. WILLIAMS. Mr. President, very often Federal employees are criticized for their shortcomings and are overlooked when they render an outstanding service.

The bold action of Mr. Donald R. Moysey, new Director of Internal Revenue in the lower Manhattan District in New York, earlier this week when he ordered the seizure of all property, bank accounts, and so forth, owned by the Communist Party and the Communist Daily Worker to secure payment of delinquent Federal income taxes, is action which should be commended.

Several years ago it was discovered that through strict interpretation and drastic enforcement of our Federal income-tax laws we could pick up prominent racketeers in this country. The Communist Party and its membership certainly fall in this category.

Their refusal to disclose their records to the Internal Revenue agents renders them liable for the assessment, and Mr. Moysey is to be commended by every American citizen for calling their bluff. Failure to have collected this tax liability would have meant that every American taxpayer would to that extent be making his contribution to the Communist Party.

Let us hope that the courts will pursue this case to the maximum degree of enforcement.

HARVEY M. MATUSOW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 832, Senate Resolution 131.

The PRESIDING OFFICER. The clerk will state the resolution by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 131) relating to the refusal of Harvey M. Matusow to answer questions before a Senate subcommittee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the resolution.

Mr. JOHNSTON of South Carolina. Mr. President, this is the usual type of resolution which is adopted by the Senate in the case of a person who refuses to testify before a Senate committee. The pending resolution is similar to other resolutions that have been previously adopted by the Senate in such cases.

The RECORD should show that Harvey Matusow was properly served with a subpena to appear before the committee; that he appeared before the committee; that certain questions were asked of him, as set forth in the report; and that he refused to answer the questions after the committee insisted that he answer them.

I ask unanimous consent that a portion of the committee report be printed in the RECORD at this point.

There being no objection, the excerpt from the committee report (No. 825) was ordered to be printed in the RECORD, as follows:

The Subcommittee to Investigate the Administration of the Internal Security Act, and Other Internal Security Laws, of the Committee on the Judiciary, as created and authorized by the United States Senate by Senate Resolution 366, 81st Congress, 2d session, and Senate Resolution 172 agreed to January 27, 1954, and Senate Resolution 49 agreed to February 4, 1955, caused to be issued a subpena ad testificundum to Harvey M. Matusow, of New York, N. Y. The said subpena directed Harvey M. Matusow to be and appear before the said subcommittee on February 21, 1955, at 1 p. m. at their committee room 130B, Senate Office Building, Washington, D. C., then and there to testify relative to the subject matters under consideration by said subcommittee.

The said subpena was issued February 14, 1955.

The said subpena was duly served, as appears by the return thereof, by Louis R. Colombo, who was duly authorized to serve such subpena. The return of the service by the said Louis R. Colombo, bearing his endorsement, is set forth as follows:

FEBRUARY 14, 1955.

I made service of the within subpena by giving in hand the within-named Mr. Harvey Matusow, at Foley Square, New York City at 4:20 o'clock p. m., on the 14th day of February 1955.

LOUIS R. COLOMBO.

The said Harvey M. Matusow, pursuant to and in compliance with the said subpena, appeared before the said subcommittee as a witness, as required by said Senate Resolution 366, but failed and refused to answer certain questions propounded by the chairman, or by the acting chairman, or by the chief counsel, of the said subcommittee, after being specifically directed to do so by the said chairman and/or acting chairman, which questions were pertinent to the subject matter under inquiry. Excerpts from the records of the hearings, held February 28, March 1, and March 2, respectively, whereat Harvey M. Matusow appeared before the said subcommittee and thereupon refused and failed to answer the said questions as directed, are annexed hereto and made a part hereof and designated "Annex I."

As a result of the refusal of said Harvey M. Matusow to answer the certain questions as aforesaid pursuant to the inquiry of the said subcommittee, as appears in the aforementioned excerpts of the records annexed hereto, the said subcommittee therefore was deprived of evidence pertinent to the subject matter which, under said Senate Resolution 366, the said subcommittee was instructed to investigate and his persistent and illegal refusal to answer questions as ordered, deprived the subcommittee of necessary and pertinent evidence and places the said Harvey M. Matusow in contempt of the United States Senate.

Mr. JOHNSTON of South Carolina. It is my understanding that there is no objection to the adoption of the resolution. If there is, I do not know of it.

The PRESIDING OFFICER. The question is on agreeing to the resolution. [Putting the question.]

The resolution was agreed to, as follows:

Resolved, That the President of the Senate certify the report of the Committee on the Judiciary of the United States Senate as to the refusal of Harvey M. Matusow to answer questions before the Senate Subcommittee To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary of the United States Senate, said refusal to answer being pertinent to the subject matter under inquiry together with all the facts in connection therewith, under the seal of the United States Senate to the United States attorney for the District of Columbia, to the end that the said Harvey M. Matusow may be proceeded against in the manner and form provided by law.

LIESELOTTE BOEHME

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 1347, House bill 1667.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 1667) for the relief of Lieselotte Boehme.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, the purpose of the bill is to grant the status of permanent residence in the United States to Lieselotte Boehme. The bill provides for an appropriate quota deduction and for the payment of the required visa fee. The bill also provides for the posting of a bond as a guaranty that the beneficiary will not become a public charge.

Mr. President, I ask unanimous consent that the statement of facts appearing in the report of the committee be printed at this point in the RECORD.

There being no objection, the statement of facts was ordered to be printed in the RECORD, as follows:

STATEMENT OF FACTS

The beneficiary of the bill is a 32-year-old native and citizen of Germany who last entered the United States on September 15, 1952, as a visitor under bond. The beneficiary resides with her naturalized United

States citizen parents and she also has 1 brother and 2 sisters, who are also citizens of this country. The beneficiary was refused a visa in 1938, when her mother and sister immigrated to the United States because of her mental condition, having been classified as mentally retarded. She resided with an aunt in Germany until 1952, when her aunt died. The beneficiary's parents indicate that they are willing to assume full responsibility for her full support, including a trust fund, and doctors state that her condition is showing improvement.

A letter, with attached memorandum, dated April 18, 1955, to the chairman of the Committee on the Judiciary of the House of Representatives from the Commissioner of Immigration and Naturalization with reference to the case, reads as follows:

DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
Washington, D. C., April 18, 1955.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives,
Washington, D. C.

DEAR MR. CHAIRMAN: In response to your request of the Department of Justice for a report relative to the bill (H. R. 1667) for the relief of Lieselotte Boehme, there is attached a memorandum of information concerning the beneficiary. This memorandum has been prepared from the Immigration and Naturalization Service files relating to the beneficiary by the Los Angeles, Calif., office of this Service, which has custody of those files.

The bill would grant the alien the status of a permanent resident of the United States upon payment of the required visa fee. It also directs that one number be deducted from the appropriate immigration quota. The bill further provides that a suitable bond prescribed in section 213 of the Immigration and Nationality Act be posed with this Service.

The beneficiary is chargeable to the quota of Germany.

Sincerely,

———— ————,
Commissioner.

"MEMORANDUM OF INFORMATION FROM IMMIGRATION AND NATURALIZATION SERVICE FILES RE LIESELOTTE BOEHME, BENEFICIARY OF H. R. 1667

"The beneficiary, Lieselotte Boehme, a native and citizen of Germany, was born in Mannheim, Baden, Germany, on May 14, 1923. She is single and resides with her naturalized United States citizen parents in Los Angeles, Calif. She is mentally retarded (Mongoloid type) with a mental age of 9 years. The beneficiary is not employed and is completely dependent upon others for care and support, which her parents presently furnish. In addition to her parents, the beneficiary has 1 brother and 2 sisters, all adults, naturalized United States citizens, residing in Los Angeles, Calif. She has no relatives outside of the United States.

"The beneficiary was refused an immigration visa in 1938 when her mother and sister immigrated to the United States, because of her mental condition. She resided in Germany with an aunt until her aunt's death in 1952, at which time she moved to the home of friends in Germany where she remained until arrangements were made for her entry into the United States. She entered the United States at New York, N. Y., on September 15, 1952, being admitted as a temporary visitor until March 14, 1953, under the ninth proviso to section 3 of the Immigration Act of 1917, under bond of $1,000. Her temporary stay was subsequently extended to September 14, 1953.

"Application for extension of stay beyond September 14, 1953, was not made due to the fact that private bill H. R. 6634 was introduced in the 83d Congress for the relief of the beneficiary. She was subsequently granted until March 1, 1955, to voluntarily depart from the United States. The beneficiary failed to depart from the United States, consequently deportation proceedings were instituted on March 2, 1955.

"The net worth of beneficiary's father is about $48,000 and that of her brother is about $21,000. She has received regular medical treatment and psychiatric observation since her entry into the United States and doctors have certified that her physical health and mental condition is constantly showing improvement. Members of her family indicate that they are willing to assume full responsibility for her future support, including a trust fund for the beneficiary, in order that she may be permitted to remain in the United States."

Congressman CRAIG HOSMER, the author of the bill, addressed the following letter to the chairman of the Committee on the Judiciary of the House of Representatives, with reference to the case:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., January 18, 1955.

Re H. R. 1667.

Hon. EMANUEL CELLER,
Chairman, House Committee on the
Judiciary, House of Representatives,
Washington, D. C.

DEAR CHAIRMAN CELLER: On January 6, 1955, I introduced H. R. 1667 which is for the relief of Lieselotte Boehme, a sister-in-law of a constituent, William E. Crane, of Long Beach, Calif.

You may recall that I introduced a similar bill, H. R. 6634, for Miss Boehme's relief in the 1st session of the 83d Congress. Although the appropriate reports were obtained by your committee and the bill was docketed for consideration by Subcommittee No. 1, the legislation was not reached for consideration and action during the second session.

This, in my judgment, is a very worthy case, and I request your assistance in seeing that early consideration is given to the bill which I have reintroduced for the relief of Miss Boehme.

Miss Boehme, who is 29 years of age, is a citizen of Mannheim, Germany, and is here on a temporary visa which expired September 15, 1953. Of course, I have been informed by the Immigration and Naturalization Service that deportation will be stayed until March 1, 1955.

She came to the United States on September 15, 1952, to be reunited with her mother, who is a United States citizen, and to receive medical treatment. She was separated from her mother at the beginning of World War II when she was denied an immigration visa owing to a physical handicap which carried with it sufficient mental aberration to bar her clearance by examining immigration doctors in Stuttgart, Germany.

Miss Boehme's mother left her in the care of an aunt in Germany, who has since died, and came to this country with a younger child believing that within a few months it would be possible for her to bring Lieselotte Boehme to the United States.

Since in this country, Miss Boehme has been under the care of two specialists and her condition has improved remarkably. Although I am told that she is not yet socially competent, she is an excellent domestic worker. Her family in California know that if she is deported, it will be necessary for one of them to return to Germany to care for her.

Although I furnished this same information to the committee when the previous bill was introduced, I believe it will be helpful for you to have it at hand when H. R. 1667 is considered.

Thank you for your courtesy.

Sincerely yours,

CRAIG HOSMER,
Member of Congress, 18th District,
California.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EVA GERSHBEIN RUBINSTEIN

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1360, Senate bill 1244.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1244) for the relief of Eva Gershbein Rubinstein.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 7, after the word "act", to insert a colon and "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (1) of section 212 (a) of the Immigration and Nationality Act, Eva Gershbein Rubinstein may be admitted to the United States for permanent residence, if she is found to be otherwise admissible under the provisions of such act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. The provisions of this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, the purpose of the bill, as amended, is to waive the excluding provision of existing law relating to one who is mentally defective, in behalf of Eva Gershbein Rubinstein, the daughter of a lawful, permanent resident of the United States. The bill also provides for the posting of a bond as a guaranty that the alien will not become a public charge.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the statement of facts contained in the report of the committee.

There being no objecion, the statement of facts was ordered to be printed in the RECORD, as follows:

STATEMENT OF FACTS

The beneficiary of the bill is a 32-year-old native of Russia, now living in Mexico. Her widowed mother, her 2 brothers, and her 2 sisters are all permanent residents of the United States. One of the sisters is married to a United States citizen, and the other sister has been naturalized. One brother is serving in the United States Armed Forces. The beneficiary was denied a visa to the United States because of feeblemindedness. She supports herself, working as a housemaid and has the equivalent of a fifth-grade education. Her unmarried sister in New York, with whom her mother resides, has agreed to support the beneficiary, if necessary. Without the waiver provided for in

the bill, she will be unable to join her family in the United States.

A letter, with attached memorandum, dated September 1, 1955, to the chairman of the Senate Committee on the Judiciary from the Commissioner of the Immigration and Naturalization Service with reference to the bill, reads as follows:

UNITED STATES DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
Washington, D. C., September 1, 1955.

Hon. HARLEY M. KILGORE,
Chairman, Committee on the Judiciary,
United States Senate,
Washington, D. C.

DEAR SENATOR: In response to your request for a report relative to the bill (S. 1244) for the relief of Eva Gershbein Rubinstein, there is attached a memorandum of information concerning the beneficiary. This memorandum has been prepared from the Immigration and Naturalization Service files relating to the beneficiary by the New York, N. Y., office of this Service, which has custody of those files.

The bill would waive the provisions of section 212 (a) (1) of the Immigration and Nationality Act, which excludes from admission into the United States aliens who are feebleminded, if she is found to be otherwise admissible under the provisions of that act.

Sincerely,

———— ————,
Commissioner.

"MEMORANDUM OF INFORMATION FROM IMMIGRATION AND NATURALIZATION SERVICE FILES RE EVA GERSHBEIN RUBINSTEIN, BENEFICIARY OF PRIVATE BILL S. 1244

"Information concerning this case was obtained from Aida Gershbein Rubinstein, who is the mother of the beneficiary.

"Eva Gershbein Rubinstein, born January 10, 1924, is a native of Russia and a citizen of Mexico. She is unmarried and resides as a domestic in the household of Morris Melamed in Mexico City. The beneficiary has the equivalent of a fifth year elementary school education. Her mother, two brothers, and a sister are permanent residents of the United States. Another sister is a United States citizen.

"In 1949, the beneficiary applied at the United States consulate in Mexico City, for a visa to enter the United States. After an examination she was found to be feebleminded and therefore inadmissible into this country.

"Mrs. Aida Gershbein Rubinstein, a 50-year-old widow, was admitted to the United States for permanent residence on February 4, 1949. She resides with her unmarried United States citizen daughter, Rose Gershbein Rubinstein, at 370 Snediker Avenue, Brooklyn, N. Y., who is employed as a factory worker, and receives a salary of $50 a week. The latter has agreed to provide for the beneficiary, in the event she is admitted to the United States."

Senator JOHN F. KENNEDY, the author of the bill, has submitted a number of letters and documents in connection with the case, among which are the following:

BOSTON, *August 9, 1954.*

Senator JOHN F. KENNEDY,
United States Senate, Washington, D. C.

DEAR SENATOR KENNEDY: The following are all the facts which I have at present. Her name is Eva Gershbein Rubinstein; age, 29 years; single. A visa application was filed in November 1946 in her behalf by her mother. At time permission was granted to her by Washington to enter the country. But the health department refused her permission to enter on the grounds that she had a mental age of 7. For the next 7 years, no application for a visa was filed. Her family (mother, 2 brothers, and 3 sisters) were granted their visas and they left her here alone. About 2 months ago, I took an interest in this case but did not file a visa application. The Embassy informed me that it would be useless unless the health department gave her a clean bill of health. I took her to see the health officer who advised me that it would be necessary to give her some mental tests. We did this and the reports favored her but not sufficient to convince the health officer that she was mentally well. He classified her as feebleminded. He was also worried that her condition might be hereditary. There is no insanity or related disease in her family. The Mexican psychiatrists have stated that they do not believe that it is hereditary. The girl has expressed a willingness to undergo an operation so that she will not ever have any children if it is necessary. About a year ago, she underwent an operation to change the contour of her face because people have remarked that she resembles a feebleminded person. She talks coherent with me at all times but when she is in the presence of doctors, she becomes nervous. She is able to talk, read, and write intelligently. At the present time, she is working as a maid. Her work consists of washing clothes, ironing, and cleaning the house in general. She makes the food, does the shopping for the house and answers the telephone. She buys her own clothes and is dependent on no one. She understands directions perfectly and is punctual. She has a very good memory and knows her way around the city better than most of us. She is very friendly and never has moods of sadness, etc. Her entertainment consists of movies and reading. She likes to dress well and uses lipstick and makeup. If you wish to check with the psychiatrists, I will give you their addresses: Dr. Marin Foucher, consultorios medicos, Sinaloa No. 9, Mexico, D. F.; Dra. Lemberger, Estraburger No. 5–C, Mexico, D. F.

Her entire family are now living in the United States. Two of her sisters are married to American citizens. One brother is in the Army. They will be responsible for her financial support. We can also obtain various affidavits of people willing to be responsible for her. If you need them, I shall be very glad to obtain same for you.

I sincerely hope that the above information will be sufficient for you to introduce a private bill in her behalf. If you wish any further information, I shall be very happy to send it to you.

Thank you once again for all your help in this matter. Once again, I would like to say that you would not be making a mistake if you should be able to get her into the United States.

Hoping to hear from you as soon as conveniently possible, I am,

Cordially yours,
MURRAY H. RITTENBERG,
Counselor at Law.

BROOKLYN, N. Y.

To Whom It May Concern:

I wish to vouch for Eva Gershbein. I am a citizen of the United States having been born here. I am 40 years of age. I am in business at 4707 Church Avenue, Brooklyn, N. Y. I have been at this store for 7 years, prior to that I was in business at the King Diamond Market at Ralph Avenue and Avenue A, Brooklyn, N. Y., for 6 years ever since I came out of the United States Army.

I have my account at the Manufacturers Trust Co. at Church Avenue, Brooklyn, N. Y. I can refer you to the wholesale fruits and vegetable merchants I deal with, if you like. The merchants are as follows: Polen Bros., M. Finer, and C. English, all of Osborne Street, Brooklyn, N. Y.

Thank you.

Yours truly,
MEYER FRIEDMAN.

P. S.—I am a brother-in-law to Ann Levine, Eva Gershbein's sister.

Sworn to before me this 17th day of December 1954.

[SEAL] SOLOMON I. SHAPIRO,
Notary Public, State of New York.
My commission expires March 30, 1956.

HY KRAUS ORCHESTRA,
Brooklyn, N. Y., January 13, 1955.

To Whom It May Concern:

My name is Hyman Kraus, I vouch for Eva Gershbein. I am a citizen of the United States for the past 36 years, having been born and resided in the metropolitan area all my life.

I am married, have two adopted children and own my own home.

I am an orchestra leader and have been in business for the past 10 years. I have my account at the Lafayette National Bank on Bay Parkway, Brooklyn.

I have known the Gershbein family for the past 6 years and can also vouch for their honesty, integrity, and good citizenship. If there is any other information you may require, I am at your service.

Yours very truly,
HYMAN KRAUS.

STATE OF NEW YORK,
County of Kings:

Acknowledged to before me.
NATHAN D. ORUN,
Notary Public, State of New York.
Commission expires March 30, 1955.

The committee, after consideration of all the facts in the case, is of the opinion that the bill (S. 1244), as amended, should be enacted.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (1) of section 212 (a) of the Immigration and Nationality Act, Eva Gershbein Rubinstein may be admitted to the United States for permanent residence, if she is found to be otherwise admissible under the provisions of such act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act. The provisions of this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Are we still in the morning hour?

The PRESIDING OFFICER. We are still in the morning hour.

Mr. JOHNSON of Texas. Mr. President, that concludes consideration of all measures with the exception of the unfinished business, and I am prepared to bring it up at this time. If the distinguished Senator from Oregon desires to address the Senate, I shall wait before suggesting the absence of a quorum.

There are only 16 bills remaining on the Senate Calendar, and this would be a good time for the chairmen of committees to get their committees to report those measures, because the Senate is in position to consider them.

Mr. President, the distinguished Senator from Maine [Mr. PAYNE] has indulged me, and I now yield the floor.

AUTHORIZATION FOR SELECT COMMITTEE TO SUBMIT A REPORT DURING ADJOURNMENT

Mr. GEORGE. Mr. President, I ask unanimous consent that the special committee appointed to investigate the statements made on the floor of the Senate by the Senator from South Dakota [Mr. CASE] during the natural-gas bill debate be allowed to file its report in vacation during the Easter adjournment. I may state that the committee has finished its work, and the report may be filed even tomorrow, but I ask unanimous consent that we may be permitted to file the report during the Easter vacation.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENT

Mr. GEORGE. Mr. President, I submit an amendment intended to be proposed by me, to the bill (H. R. 7225) to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes, now pending before the Committee on Finance. I wish to have the amendment printed and sent to that committee. The amendment is a technical amendment and provides that if a child before becoming 18 years of age or at 18 years of age is totally and permanently disabled, his benefits may be continued after the passing of the father or the mother from whom he received some assistance until he became 18 years of age, but whose assistance ceases at age 18. That is a great defect in our present social security law.

I ask unanimous consent that a statement prepared by me be included in the RECORD as a part of my remarks on the amendment.

The PRESIDING OFFICER. The amendment will be received, referred to the Committee on Finance, and printed; and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. GEORGE is as follows:

STATEMENT BY SENATOR GEORGE

The amendment I am proposing would remedy a serious defect in the bill as it applies to disabled children over 18.

We are all familiar with the situation faced by people who have the care of a child who never grows up, because of a mental deficiency, or who requires constant care throughout his entire life. Fortunately most of us do not have the care of such a child, but we are all aware of the heartaches the parents of such a child must endure. Their suffering is the more acute because they are constantly concerned about what will happen to the child when they can no longer care for him or when the father's income is cut off by retirement.

The present social-security law ignores the plight of these unfortunate children and their parents. The father will probably qualify for monthly benefits under social security when he retires at age 65 or later, and if he has a child under age 18 at that time the child can get a benefit equal to one-half the father's benefit. The mother also gets a benefit, which makes it easier for her to stay at home and care for the dependent child or children. But benefits for a child stop when he reaches 18, regardless of whether the child is still dependent because of mental or physical incapacity. Thus the problem remains unsolved after the child reaches 18. A child who is over 18 when his father retires cannot get social-security benefits at all, even though he is just as dependent on his father as he was before he reached 18.

H. R. 7225 would meet the problem in the first situation, where the child was under 18 when the father retired or died. In this situation, a child who was disabled before 18 would continue to receive his benefits after reaching 18. The mother caring for him would also receive benefits. It is estimated that about 1,000 children would benefit immediately under this provision. But this provision of the bill does not meet the problem in the second situation, which I am convinced is much the more common, where the child is over 18 when the father retires or dies. Reports of the Social Security Administration show that of the men who first became entitled to old-age insurance benefits in 1954 only 4 percent had children under 18 who were awarded benefits. Thus the chances are that if any of these workers had a disabled child, the child was already over 18 before the father retired. The amendment I am proposing would enable a child totally disabled before 18 who has always been dependent on his parents to draw benefits whenever the parent who has been supporting him retires or dies regardless of how old the child may be at that time.

The cost of paying benefits in these additional cases would be negligible. The cost of the disabled child's benefits provided by the bill has been estimated as under one-hundredth of 1 percent of payroll. Even if my amendment should cost several times as much, the cost would still be negligible.

I realize that there may be some opposition to this proposal on the administrative ground that if a child is, say, 40 years old when he first applies for benefits it may be difficult to prove that he was totally disabled before 18 and has always been dependent on his parents. I believe, though, that most of the cases will be those of children congenitally disabled who have never worked and who obviously could never work. Some few cases might present difficulties, but I do not think they will be too great or that the possibility of running into a few administrative problems is sufficient reason for refusing benefits to this most deserving group. My thought in making benefits available to disabled children regardless of their age would be that it would be the responsibility of the claimant to prove that he met the requirements for benefits. The burden of proving that he had been totally disabled before age 18 and had continued to be dependent on his parents would rest with him. Of course, he would not have to prove that he became disabled on any exact date—only that he was totally disabled before he reached age 18. In the few cases where the claimant could not prove conclusively that he met the requirements, he would not receive benefits.

The fact that a provision of this kind could be administered without undue diffculty is proved by the recent experience of the railroad retirement system. Before 1954, the survivor benefits for children under the railroad retirement system were limited to children under 18, as they are under social security. The Railroad Retirement Act was amended in 1954 to provide that a survivor annuity (as the benefits are called in that program) may be paid to a disabled child aged 18 or over if the child was totally and permanently disabled before age 18, and to the child's widowed mother if the child is in her care. This provision applies not only to children who become disabled before the provision went into effect but also to those who became disabled at any time before enactment of the provision, subject only to the limitation that the disability must have begun before age 18.

The disabled children awarded railroad retirement benefits through June 1955 were on the average 35 years old when their railroad retirement annuity began. Over half of the 922 children awarded benefits during this period had become disabled before 1937, when the railroad retirement system came into existence. It is my understanding that the Railroad Retirement Board has experienced no appreciable difficulties with these cases because most of the applicants were helplessly crippled either mentally or physically, or both, and have never been employed. I can see no reason why such a provision could not be administered with equal success by the Department of Health, Education, and Welfare.

I strongly recommend to the Congress this amendment which would bring peace of mind and much-needed financial assistance to the parents who carry the burden of a permanently disabled child. For a very small cost, my amendment will bring a rich return in increased family security.

LIABILITY OF MARITIME ACADEMY GRADUATES FOR ACTIVE NAVAL SERVICE

Mr. PAYNE. Mr. President, I ask unanimous consent that I may proceed for not in excess of 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Maine may proceed for 5 minutes.

Mr. PAYNE. Mr. President, on March 15 I called to the Senate's attention the effect that a recent Navy Department announcement that graduates of State maritime academies will serve on active duty for 3 years will have on our American merchant marine. At that time I stated that I had written a letter of protest to the Chief of Naval Personnel. Since Admiral Holloway, Chief of Naval Personnel, has replied to my letter, I wish to briefly review the situation to point up the urgency of this matter, to demonstrate as clearly as I am able, the source of the problem and to indicate the course of action that should be taken.

Up to January 1, 1953, students in both the State and Federal maritime academies were appointed as Reserve midshipmen in the Navy while attending school and were commissioned as ensigns in the Naval Reserve upon graduation. While in school they were exempt from draft registration or service and there was no obligation on the Navy to call such students to active duty. This program was entirely consistent with the Navy's requirements. In his recent letter to me, Admiral Holloway stated in part as follows:

Briefly, the Navy's interest in the maritime academies stems from the national defense

requirement for an adequate merchant marine manned by well-trained officers possessing an understanding of naval procedures and capable of operating with the Navy in time of war. To the extent that bugetary limitations permit, the Navy has participated, and desires to continue to participate, in the training of such officers by teaching naval science courses in the academies.

The Navy does not however, require nor desire the operation of any merchant marine school for the purpose of producing Naval Reserve officers. It conceives of these schools as primarily and essentially required for the manning of our merchant marine.

Unfortunately the Armed Forces Reserve Act of 1952 withdrew statutory recognition of the Merchant Marine Reserve of the Naval Reserve. At the urgent request of the Maritime Administration the Navy set up a temporary program for appointing maritime academy students as officer candidates, with the understanding that the Department of Commerce would propose legislation to continue the program as conducted before January 1, 1953. Such legislation was introduced by my distinguished colleague, the senior Senator from Maine [Mrs. SMITH], as S. 1748 and was passed by the Senate on July 30, 1955. The bill is presently before the House Armed Services Committee where no action has been taken, and none is scheduled, because of objections entered by the Department of Defense subsequent to Senate passage of S. 1748.

As a result students presently in attendance at the maritime academies, who entered after January 1, 1953, are, under an agreement between the Commerce and Navy Departments, officer candidates in the Naval Reserve, and the Navy is required by law to call such federally subsidized officer candidates to active duty. The Navy's recent announcement which prompted my remarks on March 15 was not because of the Navy's need for new officers, but rather because of the situation already indicated. As a matter of fact the Navy is reluctant to have to call all maritime academy graduates since this might require the curtailing of normal naval officer procurement programs. Therefore, the Navy does not wish to continue the officer candidate program for the maritime academies. Unless some action is taken soon, the unfortunate result will be that the Navy will have to withdraw its support of the maritime academies, contrary to its own desires and contrary to the needs of the academies, to say nothing of being contrary to the national interest.

When S. 1748 was under consideration by the Senate last year, it was actively supported by the Navy Department, and Admiral Holloway testified before the Senate Armed Services Committee recommending passage of the bill. Since that time the Navy Department, in order to comply with Department of Defense policy, has been forced to withdraw its support of the measure. The Department of Defense insists that the bill be amended to provide that merchant-marine students be given only a deferred status rather than the exempt status provided in the bill. The effect of this would be to compel the Navy to call such students to active duty upon the conclusion of their education and prior to service in the merchant marine. In other words, if the views of the Department of Defense were followed the situation that now exists would not be changed at all, except that the students would be called midshipmen rather than officer candidates.

The Department of Defense has taken the position that to be consistent with the Reserve Forces Act of 1955 it cannot support an exemption of students that does not lead to active military service. In view of the demonstrated importance of the American merchant marine, which has been repeatedly recognized by President Eisenhower, and in view of the fact that the Senate expressed its belief that the maritime academies meet a special defense need and should be exempt from normal draft and service requirements when it passed S. 1748, it seems to me that the position of the Department of Defense is unreasonable, unrealistic, and untenable. In effect, it refuses to recognize the importance of the merchant service. The result of this refusal has led to one of the worst stalemates I have ever seen.

Because of the fact that unless some action is taken the merchant marine academy graduates of this year will all go into the Navy and thus severely impair the merchant service, I believe the Congress should pass S. 1748 without delay and so clearly express the fact that maritime academy graduates are needed in the merchant service, an important segment of our national defense establishment, and that they should not be subject to active military service to the detriment of the merchant marine. In this connection I strongly recommend that the Department of Defense immediately withdraw its opposition to S. 1748.

Mr. President, I ask unanimous consent that a copy of my letter to Admiral Holloway and a copy of his reply, together with a copy of a letter I have sent today to the Secretary of Defense urging that the Department of Defense withdraw its opposition to S. 1748, be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MARCH 8, 1956.

Vice Adm. J. L. HOLLOWAY, USN,
Chief of Naval Personnel,
Department of the Navy,
Washington, D. C.

DEAR ADMIRAL HOLLOWAY: It has recently come to my attention that the Navy Department, in a letter from the Chief of Naval Personnel to the heads of the Departments of Naval Science at the four State maritime academies, dated February 27, 1956, serial Pers-B6262-raa, has announced its decision to exercise its legal authority to require all federally subsidized graduates of the State maritime academies to serve 3 years of active duty in the Navy immediately upon graduation.

The action of the Navy Department in this matter is directly contrary to the policy that has been followed in recent years. Until the letter referred to above was issued, State maritime academy graduates were going on active duty on a purely voluntary basis.

As a member of the Senate Interstate and Foreign Commerce Committee, which has jurisdiction over the maritime academies, both State and Federal, I was appointed last year to a special subcommittee to make a thorough study of merchant marine training and education. As acting chairman of the subcommittee, I held extensive hearings at the east coast academies, and in Portland, Boston, and Washington. The subcommittee filed its report in January, which was adopted by the full committee and submitted to the Senate. A copy of this report is attached.

In consequence of the wealth of information gathered by the special subcommittee, I am very well informed as to the need of the American merchant marine for well-trained officers. The study clearly established that the merchant marine requires between 1,000 and 1,600 newly licensed officers each year. On the average, the four State maritime academies and the Federal academy graduate about 450 officers each year. On the basis of a highly optimistic estimate no more than 500 new officers come into the merchant marine each year from nonacademy sources. From this it can readily be seen that the supply of trained officers in the merchant marine is inadequate to meet the demand.

Of the 450 annual graduates of the maritime academies, somewhat over half are federally subsidized students and come under the authority of the Navy to serve on active duty. It would seem to go without saying that if the supply of trained officers is already inadequate to meet the needs of the merchant service a further reduction in excess of 225 annually will have an extremely damaging effect.

I am advised that for fiscal 1955 the Navy required 10,488 new officers, and that requirement was fully met from what might be termed "normal sources," that is principally the Naval Academy, the NROTC, the OCS program, and the ROC program. The maritime academies were not a source of active duty naval officers beyond the voluntary service of individuals. For fiscal 1956, I am informed that the Navy expects to require about 11,668 new officers and that this need will be met from the normal sources exclusive of the maritime academies.

The present decision to call all maritime academy graduates under the Navy's jurisdiction to active duty appears to be based on the very tentative estimates of needs for fiscal 1957. In view of the severe damage that would be done to the merchant marine, it would seem that if the Navy expects to require a significantly greater number of new officers in fiscal year 1957 and after, serious consideration should be given to expanding the existing normal sources of naval officer supply, particularly the OCS program, since it appears to be the most flexible.

The fact that the recent letter did not apply to the Federal Maritime Academy at Kings Point is a cause of some concern to me. If it is necessary for the Navy to call up maritime academy graduates it does not seem fair or appropriate that graduates of Kings Point should be excluded.

In view of the foregoing, I wish to strongly urge that the Bureau of Naval Personnel carefully reconsider its decision to call maritime academy graduates to active duty. The need to maintain a strong, efficient merchant marine goes without saying, and the recent decision of the Bureau of Naval Personnel will do incalculable harm to this vital segment of our National Defense Establishment.

It will be appreciated if the Bureau of Naval Personnel will review this matter at the earliest opportunity and advise me of its views.

Sincerely yours,

FREDERICK G. PAYNE,
United States Senate.

DEPARTMENT OF THE NAVY,
BUREAU OF NAVAL PERSONNEL,
Washington, D. C., March 17, 1956.

Hon. F. G. PAYNE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR PAYNE: This is in reply to your letter of March 8, 1956, wherein you

strongly urge that I reconsider my decision with respect to calling Merchant Marine Academy graduates to active duty and you stress the importance of these graduates to meet the demand for trained officers for the merchant marine. You indicate that the study made by the special subcommittee under your chairmanship clearly established that the merchant marine requires between 1,000 and 1,600 newly licensed officers each year, but that academy sources can only produce about 450 officers and that nonacademy sources are optimistically estimated not more than 500 each year. Your information is correct that the Navy did meet its officer requirements for fiscal year 1955, and plans to meet the requirements in fiscal year 1956 from normal sources; that is, principally the Naval Academy, the NROTC, the OCS, and ROC programs. Further, the Navy can meet its officer requirements through these normal sources without reliance on the merechant marine academies in the future.

At the very outset, I wish to state that both the Secretary of the Navy and I are in full accord with the philosophy expressed in your letter to the effect that the primary purpose of the merchant marine academies is to supply the need for well-trained officers for the merchant marine in order to support a strong merchant marine, a vital segment of our national defense establishment.

The Navy's interest in the maritime academies has been restated many times to the Congress, to Department of Commerce, to maritime academy officials, and other interested parties. Briefly, the Navy's interest in the maritime academies stems from the national defense requirement for an adequate merchant marine manned by well-trained officers possessing an understanding of naval procedures and capable of operating with the Navy in time of war. To the extent that budgetary limitations permit, the Navy has participated, and desires to continue to participate, in the training of such officers by teaching naval science courses in the academies.

The Navy does not, however, require nor desire the operation of any merchant marine school for the purpose of producing naval Reserve officers. It conceives of these schools as primarily and essentially required for the manning of our merchant marine.

Pursuant to law, all federally subsidized officer candidates (merchant marine) attending either at the United States Merchant Marine Academy or any of the four State academies are obligated to serve 3 years on active duty upon graduation. The action recently taken in my letter of February 27, 1956, was intended to clarify the active duty obligation and not a change in policy to impose an active duty obligation. This move was not made in order to meet the contemplated needs of the service for officers since this need can be met through normal sources of naval officer procurement without reliance upon the merchant marine academies.

In order to properly apprise you of the current situation, it may be well to sketch, in brief, developments leading to the requirement of active duty for officer candidates (merchant marine).

Events leading up to the requirement of active duty are contained in the attached letter of August 12, 1954, to the then Maritime Administrator, Mr. Louis S. Rothschild. I have underlined in red those pertinent thoughts in the letter and made certain footnotes reflecting current information. Substantially, the temporary officer candidate (merchant marine) program was established at the urgent request of the Maritime Administration and officials of the State academies as an interim procedure due to a lack of statutory authority to continue the merchant marine midshipman program which required no active duty. This was done only with the understanding that legislation would be proposed by the Department of Commerce which would continue the program as operated prior to January 1, 1953, the effective date of the Armed Forces Reserve Act of 1952, which withdrew recognition of the Merchant Marine Reserve of the Naval Reserve.

Legislation in the form of S. 1748, sponsored by the Maritime Administration of the Department of Commerce and supported by me at that time, passed the Senate July 30, 1955. It would permit cadets at the Federal and State merchant marine academies to be appointed as Reserve midshipmen in the United States Navy and would provide for their exemption from registration and service while serving as such midshipmen.

The Secretary of Defense has recently indicated that he is opposed to the present wording of pending legislation, S. 1748. Specifically, he has indicated that, consistent with the intent of the Reserve Forces Act of 1955, the Department of Defense is opposed to any exemption for students with a military status which does not lead directly to active duty or active duty for training with the Armed Forces upon graduation and commissioning.

The Secretary of Defense further states that S. 1748, before it can be supported by the Department of Defense, must be reworded to provide for merchant marine students to be placed in a deferred status similar to the NROTC student rather than in an exempt status. This would require the Navy to bring all merchant marine graduates to active duty for 2 or 3 years or for 6 months' active duty for training. This, in effect, would continue the temporary officer candidate (merchant marine) program, except that such individuals will be known under another military name. The Chief of Naval Personnel and the Secretary of the Navy have continually maintained the position that a long-term commitment to place all such graduates on active duty is objectionable to the Department of the Navy and that any such procedure would be inconsistent with the Navy's own officer procurement programs. I am taking the liberty of enclosing a letter of March 8, 1956, to Senator WARREN G. MAGNUSON, chairman of the Committee on Interstate and Foreign Commerce, which further reflects the Department of Defense and Department of Navy's position with respect to subject matter. Accordingly, the Department of the Navy is unable to support S. 1748 under the present circumstances.

In view of the foregoing, it can readily be seen that I am placed in that position of having to take action to bring officer candidates (merchant marine), as distinguished from merchant marine midshipmen, to active duty whether or not they are attending the United States Merchant Marine Academy or any of the four State academies.

In view of your extensive knowledge of merchant marine training and education, I can appreciate your position with respect to this matter, and again, believe me, it is regretted that the Navy cannot relieve officer candidates (merchant marine) who are prospective graduates from immediate active duty. However, realizing that certain of the officer candidates (merchant marine) attending the State academies understood that they would be required to serve only 2 years, I am advising them that they will only be obligated for 2 years, and not 3 years. It should be noted, however, that those who executed contracts for 3 years will be required to serve on active duty for the agreed period.

May I assure you that the entire matter is receiving my personal attention, and that of the Secretary of the Navy under whose policy aegis I execute the statutory duties of my office. If there is any further information that you desire, or any amplification of the points I have discussed, please do not hesitate to call upon me.

With high esteem and kind regards, believe me, my dear Senator, I am,

Sincerely yours,

J. L. HOLLOWAY, Jr.,
Vice Admiral, United States Navy,
Chief of Naval Personnel.

MARCH 29, 1956.

Hon. CHARLES E. WILSON,
Secretary of Defense, Department of Defense, Washington, D. C.

DEAR MR. SECRETARY: Prior to January 1, 1953, students at the State and Federal maritime academies were appointed as midshipmen, Merchant Marine Reserve, United States Naval Reserve, by the Secretary of the Navy. Under the Universal Military Training and Service Act (title 50, U. S. C., app. sec. 456 (a)), they were relieved of liability for registration and active military service. The Armed Forces Reserve Act of 1952, which became effective January 1, 1953, withdrew statutory authority to appoint midshipmen, merchant marine reserve, United States Naval Reserve.

For some time the Navy Department has given support to the maritime academies because of the importance of the merchant marine and the need to have the merchant marine prepared to work closely with the Navy in time of war. To the best of my knowledge the Navy has never considered the maritime academies as a source of naval officers and does not desire to do so today.

The effect of the 1952 legislation was to withdraw the justification on which the Navy contributed to the operation of the maritime academies. At the urgent request of the Maritime Administration, the Navy instituted a temporary program to appoint maritime academy students as officer candidates. This action was taken with the understanding that legislation would be prepared to reinstate the midshipmen program. The Navy Department, at that time, realized that by appointing students as officer candidates they would not be exempt, but only deferred, and that upon commissioning, the Navy would be compelled to call them to active duty. This is undesirable both because of the damage to the merchant marine which needs 1,000 to 1,600 new officers annually and because if the Navy is required to call these graduates to active duty, it may force a curtailment of normal naval officer procurement programs.

Senator MARGARET CHASE SMITH introduced a bill (S. 1748) on April 20, 1955, which would provide statutory authority to appoint midshipmen, merchant marine reserve, United States Naval Reserve, retroactive to January 1, 1953. When this bill was considered by the Senate Armed Services Committee, it was actively supported by the Navy Department. It was passed by the Senate on July 30, 1955, and is now before the House Armed Services Committee.

During the congressional recess last fall the Department of Defense indicated its opposition to the bill and the Navy Department withdrew its support to conform with Department of Defense policies. This opposition is based on an interpretation of the Reserve Forces Act of 1955, under which the Department states it is forced to oppose any exemption during training which does not lead to active military duty. However, if the bill were amended to conform to the position taken by the Department of Defense it would not help the present critical situation.

As the problem now stands, the maritime academies are 1 of the 2 principal sources of merchant-marine officers. The merchant marine annually needs more officers than these sources can supply. Without the adoption of S. 1748, the Navy will be compelled to call graduates to the maritime academies to active duty to the severe detriment of the

merchant marine. The Navy may also be forced to withdraw its support of the academies which would be contrary to the best interests of both the Navy and the merchant marine, to say nothing of being contrary to overall national security interests.

President Eisenhower and the Congress have repeatedly recognized the merchant marine as a vital segment of the National Defense Establishment. In the particular problem at hand, the Senate of the United States has expressed itself as favoring the exemption of maritime academy students because of the particular needs of the merchant service. Therefore, it appears that the position taken by the Department of Defense is unreasonable and untenable as well as contrary to the best interests of the United States as clearly stated by both the executive and legislative branches of the Government.

For these reasons I strongly urge that the Department of Defense withdraw its opposition to S. 1748 in order that action may be taken expeditiously to prevent possible severe injury to the effectiveness of the American merchant marine. It will be appreciated if you will advise me at the earliest practicable date of the Department's final position in this matter.

Sincerely yours,

FREDERICK G. PAYNE,
United States Senator.

FIVE HEROIC RUMANIAN EXILES

Mr. JENNER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Are They Heroes or Criminals?" written by Peggy Mann, and published in the Washington Post and Times Herald of March 18, 1956.

The article describes a splendid broadcast over channel 4 of the National Broadcasting Co., on Tuesday, March 20, 1956, sponsored by the Armstrong Circle Co.

The broadcast, entitled "The Five Who Shook the Mighty," told the story of the 5 heroic Rumanian exiles who in February 1955 seized the Communist Rumanian Embassy in Bern Switzerland, held it for several days, and captured immense amounts of documentary material on the Soviet spy network which operates out of Switzerland in many European countries. The material included the latest Soviet secret directives to the Communist parties of Western Europe. The five young men were arrested by the Swiss Government, which refused to extradite them to Communist Rumania. Their trial will be held shortly in Switzerland. Their legal defense is being conducted by Mr. Mihail Farcasanu, president of the League of Free Rumanians, 47 East 61st Street, New York City.

The broadcast was one of a series of vigorously anti-Communist broadcasts sponsored by the Armstrong Circle Co. and televised by the National Broadcasting Co.

I warmly congratulate these two companies for informing the television audience of climactic chapters in the story of Soviet expansion and anti-Communist resistance. The telling of this story over mass communication media is vital to our national defense and our ability to win ultimate victory over the Communist conspiracy against the world.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARE THEY HEROES OR CRIMINALS?

(By Peggy Mann)

BERN, SWITZERLAND.—Four young men will go on trial here next month for a crime which has never before been committed.

The question is, Was it a crime—a mockery of international law—or was it an act of heroism that gave help to the free world and hope to Europe's enslaved?

It began in February 1955, in a small furnished room in the West German town of Konstanz. Five young men and a girl sat intently around a table spread with maps.

The girl must remain nameless. She was young, and to Oliviu Beldeanu, the leader of the group, she was beautiful; they were in love, Beldeanu and this Rumanian refugee girl he had met in Munich.

Beldeanu, too, was Rumanian. He had graduated from the Bucharest School of Fine Arts, a talented sculptor. He had taken to the mountains to fight in the resistance movement. In 1949, when arrest was imminent, he had fled to Yugoslavia. There, in forced labor camps, he had met the four young Rumanians who sat with him now around the table.

There was Ion Chirila, called the Colt. There was Soare Codrescu, an auto mechanic. There was Dumitru Ochiu, shy and mild. And there was Theodore Ciochina, nicknamed Dorel, which means longing.

This was what they had lived for—the hope that some day they would find a way to help their countrymen. Their will to help was typified by Dorel Ciochina when he wrote a letter to the American Army:

"I am a fine driver. I could drive a tank, and in danger I would not run away. This is certain. I could not, for I have no legs."

All were members of the League of Free Rumanians. Through his work in the resistance movement, Beldeanu had learned that on the night of February 14 new directives to Communist parties throughout Western Europe would be issued by Moscow. These directives were to be distributed through the Rumanian Legation in Bern.

At 7 p. m. on the night of February 14 the chauffeur of the Rumanian Legation would drive from Bern to the airport in Zurich. This chauffeur was in fact a top-ranking Communist agent, Arel Setu. At the airport Setu would meet an emissary from Bucharest, who would hand him a briefcase containing the new directives.

If the five young Rumanians were waiting for Setu when he returned to the legation, if the directives were to find their way into western hands—

Dorel Ciochina had a car—part payment for a pair of legs. He had been run over in Munich and granted 30,000 marks (about $7,500) insurance. He had bought a Volkswagen and made his way to Bern. His four friends had crossed Lake Constance by rowboat and met him in the Swiss capital.

The Volkswagen drove slowly down the Schlosslistrasse and drew up before No. 5, a building flying the hammer and sickle of the new Rumanian flag.

Silently, four masked figures climbed out of the car and scaled the 6-foot wall of the legation. Beldeanu knocked at a door of a small chalet to the side of the main building. It was opened by the wife of the chauffeur. He clapped his hands over her mouth. They gagged her and bound her in a chair.

Quickly they pried open desk drawers, filing cabinets; stuffed papers, documents, records into suitcases they had brought with them.

In the cellar, they discovered a virtual arsenal, with ammunition, automatic weapons, time bombs. There was also a short-wave transmitter and a collection of Swiss police and army uniforms.

Twenty-six-year-old Soare Codrescu was alone upstairs when the front door opened and Setu entered. Codrescu, gun in hand, demanded the chauffeur's briefcase.

Setu, a burly man, walked forward, "What are you doing here, boy? Playing games?"

Setu lunged forward, refusing to obey Codrescu's demand to halt. The young Rumanian stepped back and shot the Communist in the leg. Setu turned, staggered out of the door and fell into the snow. Within minutes the chauffeur's briefcase, along with other document-filled suitcases, was hidden in the Volkswagen and Chiochina drove off swiftly toward the West German border.

The other four might easily have left with him. Instead, Ochiu was dispatched on foot as a decoy.

Beldeanu, Chirila, and Codrescu ran into the legation building to fulfill the second portion of their plan. Entering the lobby, they beheld startled staff members in nightclothes peering over the banisters. They had been awakened by the shot.

Under Beldeanu's watchful pistol, staff members were permitted to don garments tossed to them by Beldeanu's companions. They were told to take Setu with them, but they did not stop in their haste to get out of the building.

The following morning the historic Rumanian flag flew above the building. Two hundred Swiss policemen surrounded the grounds and the crowds grew as the day wore on.

The Swiss could do nothing, for the Rumanian chargé d'affaires had not received instructions from Bucharest and he could not allow Swiss police to enter the legation. How, for example, could he account for the munitions, arms and Swiss uniforms?

The Swiss council of ministers hurriedly met. Notes were exchanged between Bern and Bucharest.

Finally Bucharest authorized the Swiss police commission to enter the legation and take the masked men into custody. But the young men would not come forth. They told the commissioner that by taking back this small portion of Rumanian soil, even for a matter of hours, he could dramatize the struggle for the satellite nations.

They had taken a solemn vow not to leave. The young Rumanians were in earnest, the police commissioner reported. They had barricaded themselves inside and had guns, gas masks and ampoules of poison.

The Communist Rumanian Government threatened to break off diplomatic relations with Switzerland for failure to extradite the bandits of Bern.

Later, the Swiss council of ministers came to a firm decision. Despite threats, they would not extradite the men if they asked asylum. When this was communicated to them * * * 43 hours after the siege had begun * * * the three masked men surrendered to the Swiss authorities and were driven off to jail.

One of their companions, Ochiu, already had been arrested. Ciochina later was arrested in West Germany and he, too, will be tried after the Bern trial.

What did the young Rumanians achieve with their unprecedented raid? The concrete results may never become completely known publicly, but here are a few results that were released:

Through two large code books which they found in the chauffeur's safe, western authorities were able to decode messages sent by the Rumanian Government during the previous 6-month period to all western countries.

Lists of British subjects who were selling information to the Rumanian legation were found in its files and were turned over to the British Government.

Through the raid, the Swiss police received a tip on two fat dummy accounts in an obscure farmers' bank in the mountains of Switzerland. The Communists were using the money to run far-reaching spy nets in Western Europe. Other Swiss authorities uncovered a Rumanian organization for buying foreign money in the black market with Swiss francs.

In Copenhagen, Rumanian refugees kidnaped another Rumanian legation chauffeur spy, Ion Cympu. He gave valuable information to Danish authorities.

Authorities in Stockholm, tipped off by the Bern raid, uncovered an important spy ring centering around the Rumanian and Czechoslovakian legations.

THE FEDERAL EXCISE TAX ON THE TRANSPORTATION OF PROPERTY AS A FACTOR AFFECTING AGRICULTURE

Mr. SCHOEPPEL. Mr. President, transportation costs absorb a considerable portion of the wholesale prices of many farm commodities that are produced at a distance from the main terminal markets. Prices of the commodities that farmers buy are also affected by transportation costs.

Most of the increase in these costs since the war ended is due to the sharp rise in freight charges. Among other significant factors which have increased marketing costs for the farmer, is the excise tax on the transportation of property.

The tax on the transportation of property increases transportation costs by the full amount of the tax. It also applies to other services furnished by the carrier in connection with shipping a commodity. These additional services, such as refrigeration or heating, loading, unloading, storage, demurrage, transfer in transit, local cartage, and other similar services may add 10–15 percent or more to the basic transportation charges, depending upon the commodity and the distance hauled.

HISTORY OF THE TAX

Transportation taxes were a part of World War I revenue legislation, and were repealed on January 1, 1922. Similarly, the present tax on the transportation of property was enacted during World War II for revenue purposes. But, unlike the earlier legislation, more than 10 years have passed since the end of hostilities, yet the tax has not been repealed.

The tax on the transportation of property became effective on December 1, 1942. It is levied at the rate of 3 percent of the transportation charges made by rail, motor, water, or air carriers, on all commodities except coal, which carries a rate of 4 cents per short ton.

All types of for-hire transportation are subjected to the tax, including common and contract carriers, local moving firms, express companies, freight forwarders, and so forth. Exemptions to the tax that affect agriculture are:

First. Payments for the transportation of property intended for export.

Second. Payments for the transportation of property by a freight forwarder, express company, or other carrier for which a transportation tax has already been paid.

Through June 30, 1955, taxes collected on the transportation of property totaled more than $4 billion. It has been estimated that approximately 22 percent of these tax collections, equal to $784 million, was derived from the movement of agricultural products.

EFFECTS OF THE TAX UPON PRICES

The tax on the transportation of property tends to increase the prices of the commodities which the farmer buys and to reduce the prices that he receives for the commodities which he sells.

Mr. President, this effect of the tax has especially burdensome on the farmer during the past few years because of the ever-widening margin between the prices paid by farmers and the prices received by them.

Prices paid by farmers have been quite stable in recent years at a level only 4 percent below the peak reached in May 1952.

In sharp contrast, prices received by farmers have rapidly declined. For the calendar year 1955 they average 5 percent below the previous year, and 24 percent below the peak established in February 1951. The parity ratio for 1955 was 84 compared with 89 a year earlier and with the post-Korean peak of 113 in February 1951.

The division of the transportation tax among the parties involved may differ in the long run and in the short run. In the short run, market conditions may result in producers or dealers absorbing all or part of the tax. The long-run effects, however, are likely to be quite different.

To the extent that competition exists within markets and complete mobility of factors of production prevails, there is a tendency for consumers eventually to bear a substantial portion of the tax. But because the farmer serves the dual role of producer and consumer he can not escape the burden.

Since the tax is a fixed percentage, any increase in the rate will be accompanied by an increase in the tax. Freight rates have been increased 11 times since the end of the war, and on December 30, 1955, the railroads petitioned the Interstate Commerce Commission for an additional increase of approximately 7 percent.

As a result of these increases, the tax in cents per 100 pounds has risen substantially during this period. For example, on the movement of fresh meats from Kansas City, Kans., to New York City, N. Y., the rate increased from $1.21 per 100 pounds in 1946 to $2.35 in 1956—this year. This increased the tax from 3.6 cents to 7.0 cents.

The increase in the prices paid by consumers resulting from the transportation tax is often greater than the tax itself. The increase in price will exceed the amount of the tax to the extent that middlemen price goods at a fixed percentage above the cost.

To illustrate, assume that a retailer purchases goods valued at $5,000, including transportation costs of $800, exclusive of the tax. At a 25 percent markup on cost, the retailer's gross margin would equal $1,250 and the selling price would equal $6,250. However, when the transportation tax of $24—3 percent of $800—is added, total costs now equal $5,024.

Computing the markup on the basis of the larger cost increases the selling price to $6,280. This latter figure exceeds the former selling price plus the transportation tax by $6—an amount which represents a 25 percent markup on the transportation tax.

The oftener this process is repeated, the greater the effect of the tax. In complex trade channels made up of several middlemen, the result may be to increase prices substantially.

Another significant aspect of the effect of the tax results from the fact that changes in transportation charges tend to lag behind price changes. Thus, when the price of a commodity is declining, transportation charges make up an increasing proportion of the retail value. Since the transportation tax is a fixed percentage of the freight charges, it also increases in relation to the retail price.

EFFECTS UPON THE COMPETITIVE POSITIONS OF PRODUCERS AND SHIPPERS

A flat percentage increase in freight rates will affect adversely the competitive position of the long-distance shipper.

This principle has been recognized in many general rate increases through the use of "hold-downs" on a number of agricultural commodities, where maximum rate increases on selected agricultural commodities were limited to a specified amount in cents per 100 pounds. In some cases the effect of the "hold-downs" was to increase the rates from competing areas by the same amount, thus maintaining their relative positions within a given market.

In other cases, where the amount of the increase was less than the hold-down from one or both producing areas, the result was to increase the difference in rates to the disadvantage of the one farthest from the market. For example, the rates on shipments of celery to New York City are $2.38 per 100 pounds from Chula Vista, Calif., and 60 cents from Marion, N. Y., or a difference of $1.78. When the tax is added to the rates, the differential becomes $1.83.

Based upon a minimum carload of 20,000 pounds, the California producer would pay a tax of $14.28 per carload, while the New York producer pays a tax of only $3.60 per carload. Similar results would occur in a comparison of many other commodities. If protective services were included in the previous computations, the increase in the differential due to the tax would be even greater.

This widening differential in the freight rates paid by long-haul versus short-haul producers tends to discourage long-distance hauling, especially of lower-valued commodities, and stimulates production that is close to markets. The utilization of the most fertile lands is likely to be decreased.

The increase in transportation costs caused by the tax thus may reduce the degree of geographical division of labor and the volume of production. These conclusions also apply to articles farmers buy.

EFFECTS UPON CARRIERS

The principal effect of the tax upon carriers by rail, motor, water, and air has been to divert traffic to private transportation. In its 62d annual report, the Interstate Commerce Commission pointed out this problem by declaring:

This method of taxation * * * adds to the difficulties of for-hire carriers in their competition with private transportation since the war, it appears reasonable to question whether continued use of for-hire carriers for tax-collecting purposes is justified.

Furthermore, since the tax tends to reduce long-haul transportation, carriers' revenues are affected adversely.

That is one of the reasons why I offered a bill in an effort to have the Congress do something about this very serious situation, which I think militates against the farmer, and about which I hope something will be done in due time by the Congress of the United States, and especially the Finance Committee.

EXEMPTION OF CERTAIN ADDITIONAL FOREIGN TRAVEL FROM TAX ON TRANSPORTATION OF PERSONS

The PRESIDING OFFICER (Mr. PAYNE in the chair). Is there further morning business? If there is no further business, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 5265) to exempt certain additional foreign travel from the tax on the transportation of persons, which had been reported from the Committee on Finance with an amendment to strike out all after the enacting clause and insert:

That subsections (a) and (b) of section 4261 of the Internal Revenue Code of 1954 (relating to the tax on transportation of persons) are hereby amended to read as follows:

"(a) Amounts paid within the United States: There is hereby imposed upon the amount paid within the United States for taxable transportation of persons (as defined in section 4262) by rail, motor vehicle, water, or air a tax equal to 10 percent of the amount so paid.

"(b) Amounts paid outside the United States: There is hereby imposed upon the amount paid without the United States for taxable transportation of persons (as defined in section 4262) by rail, motor vehicle, water, or air, but only if such transportation begins and ends in the United States, a tax equal to 10 percent of the amount so paid."

SEC. 2. Section 4262 of the Internal Revenue Code of 1954 (relating to exemptions from the tax on transportation of persons) is hereby amended by striking out subsection (a) and by redesignating subsections (b), (c), (d), (e), and (f) as subsections (a), (b), (c), (d), and (e), respectively. Such action, as so amended, is hereby renumbered as section 4263.

SEC. 3. Part I of subchapter C of chapter 33 of the Internal Revenue Code of 1954 is hereby amended by inserting after section 4261 the following new section:

"SEC. 4262. Definition of taxable transportation of persons.

"For purposes of this part—

"(1) General rule: The term 'taxable transportation of persons' means transportation that begins in the United States or at any point in Canada or Mexico not more than 225 miles from the continental United States and ends in the United States or at any point in Canada or Mexico not more than 225 miles from the continental United States.

"(2) Transportation outside the northern portion of the Western Hemisphere: The term 'taxable transportation of persons' does not include transportation any part of which is outside the northern portion of the Western Hemisphere (the area lying west of the 30th meridian west of Greenwich, east of the International Date Line, and north of the equator, not including any country of South America)."

SEC. 4. (a) Part I of subchapter C of chapter 33 of the Internal Revenue Code of 1954 is hereby amended by adding at the end thereof a new section as follows:

"SEC. 4264. Special rules.

"(a) Payments made outside the United States for prepaid orders: If the payment upon which tax is imposed by section 4261 (b) is made for a prepaid order, exchange order, or similar order, the person furnishing the initial transportation pursuant to such order shall collect the amount of the tax.

"(b) Tax deducted upon refunds: Every person who refunds any amount with respect to a ticket or order which was purchased without payment of the tax imposed by section 4261, shall deduct from the amount refundable, to the extent available, any tax due under such section as a result of the use of a portion of the transportation purchased in connection with such ticket or order, and shall report to the Secretary or his delegate the amount of any such tax remaining uncollected.

"(c) Payment of tax: Where any tax imposed by section 4261 is not paid at the time payment for transportation is made, then, under regulations prescribed by the Secretary or his delegate—

"(1) such tax shall be paid by the person paying for the transportation or by the person using the transportation;

"(2) such tax shall be paid within such time as the Secretary or his delegate shall prescribe by regulations after whichever of the following first occurs:

"(A) the rights to the transportation expire; or

"(B) the time when the transportation becomes taxable transportation; and

"(3) payment of such tax shall be made to the person to whom the payment for transportation was made or to the Secretary or his delegate.

This subsection shall not apply in the case of any tax collected in the manner provided in subsection (a) or subsection (b) (to the extent any tax due is collected)."

"(d) Application of tax: The tax imposed by section 4261 (a) shall apply to any amount paid within the United States for transportation of persons unless the taxpayer establishes, pursuant to regulations prescribed by the Secretary or his delegate, at the time of payment for the transportation, that the transportation is not taxable transportation of persons (as defined in section 4262).

"(e) Round trips: For purposes of this part, a round trip shall be considered to consist of transportation from the point of departure to the destination and separate transportation from such destination to the point of departure."

(b) Section 4261 (d) of the Internal Revenue Code of 1954 (relating to payment of tax imposed on transportation of persons) is hereby amended by adding at the end thereof the following: "except as provided in section 4264."

(c) The first sentence of section 4291 of the Internal Revenue Code of 1954 (relating to cases where persons receiving payment must collect tax) is hereby amended to read as follows: "Every person receiving any payment for facilities or services on which a tax is imposed upon the payor thereof under this chapter shall collect the amount of the tax from the person making such payment, except as provided in section 4264 (a)."

SEC. 5. Subchapter B of chapter 68 of the Internal Revenue Code of 1954 (relating to assessable penalties) is hereby amended by adding at the end thereof a new section as follows:

"SEC. 6676. Failure to pay tax on transportation of persons.

"In addition to any criminal penalty provided by law, if any person liable for payment of tax imposed by section 4261 (relating to tax on transportation of persons) fails to pay such tax within the period prescribed, unless it is shown that failure to pay is due to reasonable cause, such person shall be liable to a penalty in an amount equal to whichever of the following is greater:

"(1) Two times the amount of tax due; or

"(2) $10."

SEC. 6. (a) The table of sections of part I of subchapter C of chapter 33 of the Internal Revenue Code of 1954 is hereby amended by striking out

"SEC. 4262. Exemptions."

and inserting in lieu thereof

"SEC. 4262. Definition of taxable transportation of persons.

"SEC. 4263. Exemptions.

"SEC. 4264. Special rules."

(b) The table of sections of subchapter B of chapter 68 of the Internal Revenue Code of 1954 is hereby amended by adding at the end thereof

"SEC. 6676. Failure to pay tax on transportation of persons."

SEC. 7. The amendments made by this act shall apply to amounts paid on or after the first day of the first month which begins more than 60 days after the date of the enactment of this act for transportation commencing on or after such first day.

Mr. SMATHERS obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. SMATHERS. I yield for that purpose.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Without objection, it is so ordered.

Mr. SMATHERS. Mr. President, I should like to make a brief explanation of the bill which now is under consideration.

The bill seeks to eliminate a discrimination in our tax laws, which originated when the Congress in 1946 passed a bill removing the 10 percent travel tax from all travel originating in the United States and ending in Europe, Asia, or South America. In other words, it provided that one who travels from New York to

London can travel without paying the 10 percent transportation tax. However, we happened to ignore at that time—probably by oversight, rather than by design—the fact that there still existed a 10 percent transportation tax on travel, for example, from New York to Mexico City, or from New York to Canada, or from New York to Cuba, or from New York to any of the Central American countries.

So, Mr. President, today a rather unusual situation exists, in that the Federal Government does not apply the transportation tax to the travel of one whose trip originates in the United States and takes him to Europe, Asia, or South America—which is considered to include all the countries below the Panama Canal. On the other hand, the 10 percent travel tax on tickets purchased in the United States applies to a trip taken by one whose journey originates in the United States and takes him to Canada, Mexico, any of the Caribbean countries, or to Alaska or Hawaii.

So the purpose of the bill is to eliminate that particular discrimination. It has been estimated that the bill, if enacted, will cost the Treasury approximately $20 million. However, because of the discrimination which exists in the present law, the Treasury Department approved of the elimination of this discrimination. The bill also has the tacit approval of the State Department. It is the belief of those agencies of the Government and others favoring this legislation that the discrimination against our best friends and customers such as Canada, Mexico, Cuba, Dominican Republic should be removed.

The sole purpose of this measure, which has been unanimously reported by the Finance Committee passed some time ago by the House of Representatives, is to eliminate this discrimination.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. MORSE. Mr. President, on behalf of myself, the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. KUCHEL], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Washington [Mr. JACKSON], and my colleague from Oregon [Mr. NEUBERGER] I submit to the committee amendment, the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 6, in line 4, it is proposed to redesignate paragraph (2) ("Transportation outside the northern portion of the Western Hemisphere") paragraph (3), and to insert at the end of paragraph (1) on page 6, at line 4, the following:

"(2) Transportation to or from Alaska or Hawaii: The term 'taxable transportation of persons' does not include that portion of transportation to or from the Territory of Alaska or the Territory of Hawaii which—

"(A) is outside the United States,

"(B) is not transportation between ports or stations within the continental United States or that portion of Canada or Mexico within 225 miles of the continental United States, and

"(C) is not transportation between ports or stations within the Territory of Alaska or the Territory of Hawaii."

Mr. MORSE. Mr. President, I shall be very brief in discussing my amendment to the committee amendment. In fact, I ask unanimous consent to have inserted at this point in the RECORD, as a part of my remarks, a statement on my amendment submitted by the Senator from Montana [Mr. MURRAY], the chairman of the Senate Committee on Interior and Insular Affairs, and also a memorandum statement which I have prepared on this subject.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MURRAY IN SUPPORT OF SENATOR MORSE'S AMENDMENT TO RESTORE ALASKA AND HAWAII TO H. R. 5625

As chairman of the Senate Committee on Interior and Insular Affairs, which has general responsibility for legislation affecting the Territories of the United States, I strongly concur in the amendment proposed by the distinguished senior Senator from Oregon, Mr. MORSE, to restore Alaska and Hawaii to the offshore areas exempted from the Federal transportation tax by H. R. 5265.

I may state that Puerto Rico and the Virgin Islands, which continue to be exempted under the bill as amended by the Senate Finance Committee, are just as much a part of our committee's responsibility as are Alaska and Hawaii. I know I can speak for a majority of the committee when I say that we heartily approve the exemption of Puerto Rico and the Virgin Islands. The exemption will serve to further tourist travel and commerce, and thus contribute substantially to the economy of these areas.

But Hawaii and Alaska also merit, and need, the economic benefits that exemption from transportation tax will bring. I personally visited Hawaii during the recess to study at first hand some of the legislative problems before our committee respecting the Territory. Of my own knowledge, I know that the tourist trade is the second largest industry of Hawaii. Only agriculture exceeds it in importance as the foundation of the economy of the approximately half-million American citizens who comprize the population of the Hawaiian Islands. Tourist facilities there are being greatly expanded, both by new capital from the Mainland and by local enterprise, and the tourist business is entering a period of very vigorous competition there.

H. R. 5265 as reported is discriminatory against Hawaii and Alaska. Both are as dependent upon trade and travel with the mainland, at this point in their economic development, as are Puerto Rico and the Virgin Islands. All four of these offshore Territories of the United States should be treated equally in this respect.

I urge the adoption of the amendment.

MEMORANDUM STATEMENT BY SENATOR MORSE

As passed by the House of Representatives on July 30, 1955, H. R. 5265 contained a section providing for a partial exemption from the transportation tax for travel between the mainland of the United States and the Territories of Alaska and Hawaii.

The Senate Finance Committee in reporting this bill on February 24, 1956, removed this partial exemption. The attached amendment has only one purpose and that is to restore this partial exemption to the bill. The reasons supporting this amendment can be summarized as follows:

1. The partial exemption for travel to the Territories was added to the original version of the bill by the House Ways and Means Committee, and approved by the House of Representatives, as a means of lessening to some extent the handicap which the Territories suffer because of their distance from the mainland of the United States. Both Territories are completely dependent on commerce with the United States, which requires a substantial volume of business travel between the Territories and the mainland. In addition, the partial exemption provided in the House bill would stimulate tourist travel to the Territories, and revenue from this source is important to both Territories, particularly so in the case of Hawaii.

2. The fact that the Territories may some day become States is no argument against this partial exemption. Their becoming States will not change their geographical location, and the transportation tax handicap resulting therefrom. The effect of the exemption would simply be that, for transportation tax purposes, both Territories would be moved in space so that their boundaries become contiguous with the United States.

3. Both the House and Senate Finance Committee bills remove the tax from travel to Puerto Rico and the Virgin Islands. It would be inequitable not to give at least a partial exemption to Alaska and Hawaii.

4. The partial exemption for travel to the Territories is needed to correct a tax evasion practice which the present law encourages. For example, if a passenger travels from Seattle to Honolulu, he must pay tax on the entire trip. If, however, he crosses the border into Canada and buys his ticket in Vancouver for travel from Vancouver to Honolulu, the entire trip is tax free. This evasion practice diverts traffic from American-flag carriers to foreign-flag carriers.

Mr. MORSE. Mr. President, suffice it to say, by way of argument, that my amendment seeks to eliminate the inequity and injustice which would be inflicted upon Alaska and Hawaii if the bill were enacted in its present form.

As passed by the House of Representatives on July 30, 1955, House bill 5265 contained a section providing for a partial exemption from the transportation tax for travel between the mainland of the United States and the Territories of Alaska and Hawaii. The Senate Finance Committee, in reporting the bill on February 24, 1956, removed this partial exemption. The only purpose of my amendment is to restore to the bill this partial exemption.

If the exemption were not restored, the result would be an unwarranted inequity against Hawaii and Alaska and a discrimination in favor of Puerto Rico and the Virgin Islands. I am in favor of the exemption insofar as Puerto Rico and the Virgin Islands are concerned, but I also take the position that it is only fair to provide the same exemption for Alaska and Hawaii. In this connection, I think I need to read only one paragraph from my statement in order to make clear the essence of my argument:

The partial exemption for travel to the Territories is needed to correct a tax-evasion practice which the present law encourages. For example, if a passenger travels from

Seattle to Honolulu, he must pay the tax on the entire trip. If, however, he crosses the border into Canada and buys his ticket in Vancouver, for travel from Vancouver to Honolulu, the entire trip is tax free. This evasion practice diverts traffic from American-flag carriers to foreign-flag carriers.

So, Mr. President, at present we are encouraging such tax evasion.

Mr. President, I wish to make clear that the amendment to the committee amendment covers only the part of the trip from the mainland of the United States to Alaska or to Hawaii; it does not cover, for example, the part of the trip from New York to San Francisco or from New York to Seattle or to Portland. The amendment covers only the travel from the American port where the trip begins—for example, from one of the ports on the West coast—to either the Territory of Alaska or to the Territory of Hawaii.

So I submit the amendment to the committee amendment, with a plea that my friend the Senator from Florida [Mr. SMATHERS] extend me the favor of taking the amendment to conference. I know his position on this matter. I also know him to be a very cooperative legislator. I think the merits of my amendment to the committee amendment are so clear that it should be taken to conference.

Mr. LONG. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. LONG. I am sure the Senator from Oregon will agree that if we had discriminated against Puerto Rico and the Virgin Islands in the same fashion that this bill, without the amendment of the Senator from Oregon, would discriminate against Alaska and Hawaii, it would be absolutely impossible for Puerto Rico and the Virgin Islands to have any tourist traffic.

Mr. MORSE. That is correct.

Mr. LONG. Inasmuch as the bill will do justice to our friends, Canada, Mexico, and the Central American countries, we only seek to have the same treatment accorded to Hawaii and Alaska.

Mr. MORSE. That is correct.

Mr. President, I wish to thank the distinguished Senator from Louisiana for the support he has given to this matter in the committee, as well as for the support he is giving it at this time.

Mr. KUCHEL rose.

Mr. MORSE. Let me inquire whether my friend, the Senator from California, desires to interrogate me about this matter.

Mr. KUCHEL. No; I am merely waiting to make a brief statement about it.

Mr. MORSE. Very well. Then let me ask whether the Senator from Florida wishes to ask questions of me at this time, or whether he prefers to wait to hear from the Senator from California.

Mr. SMATHERS. I should like to be persuaded.

Mr. KUCHEL. Mr. President, this bill is a worthwhile and desirable measure designed to end unintended discrimination and burdens and to promote the very significant travel business. However, it falls far short of remedying all present injustices imposed in the 10 percent tax on transporttion, and has the extra curse of perpetuating a vicious deterrent to trade and travel between the United States mainland and our Pacific Territories.

I am wholeheartedly in favor of the amendment offered by the Senator from Oregon, which I am cosponsoring, because it is indefensible to me to treat Hawaii and Alaska under a different formula than the one which applies to American possessions in the Atlantic. Americans in one segment of the hemisphere are entitled to the identical consideration that we give to those in a second segment.

The thought of continuing to collect 10 percent of the cost of tickets for travel to Hawaii and Alaska is exceedingly repugnant, because of the refusal of Congress to extend the thoroughly earned right of statehood to the Territories. By insisting that vacationers and businessmen pay this tax for trips to and from those Territories, we compound the offense of according the people of Hawaii and Alaska only second-class citizenship.

It makes no more sense to say that travelers to and from Puerto Rico and the Virgin Islands are entitled to tax-free transportation, while persons going between the mainland and these Pacific Territories must pay the tax, than it would be to pay an outright subsidy to foreign-flag steamships which serve the routes between west coast ports and Hawaii and Alaska.

In fact, by imposing this tax on Pacific travel, we are encouraging tourist and business trade to use Canadian ports and diverting patronage from Los Angeles, San Francisco, and Seattle.

While it is true that these Territories belong to the United States, they still—because we deny them the statehood for which they have demonstrated convincing fitness—are not truly of the United States. At the same time, they are almost entirely dependent upon the United States, and their welfare is inextricably wrapped up in trade with, and travel to and from, the mainland. Their growth and prosperity are vital to the United States, yet this tax puts us in the position of placing obstacles in their way while showing deep concern about trade and travel between the United States and a foreign nation such as Cuba.

If there is need at all for this bill, there is overwhelming reason why it should be passed in the form in which it originated and went through the House of Representatives, extending the same relief to Hawaii and Alaska as it gives to noncontiguous American possession in the eastern half of the hemisphere.

Mr. President, it seems to me it is crystal clear that there is manifest justice in the amendment which is being proposed, and I very much hope the Senate will adopt it, and that it will become a part of the law.

Mr. SMATHERS. Mr. President, the position of the Finance Committee when this particular subject was discussed was essentially that we would be creating a bad policy by adopting an amendment such as that suggested by the very able Senator from Oregon. His proposal is based on the theory that when one travels over water or over land outside the continental limits of the United States, that portion of the trip should be tax free.

A person may travel in an airplane from New York City to Miami, Fla., by direct flight, three-fourths of which trip would be over the water, and outside the continental limits of the United States. Would not that bring up the question as to whether that particular three-fourths of the trip should be tax free?

When a person travels from Tampa, Fla., to New Orleans, La., a great portion of that trip—in fact, practically all of it—is over international waters and is not travel over the United States.

We believe that while this amendment might be limited so as to apply only with respect to the Territory of Alaska and the Territory of Hawaii, it might contravene the due process and uniformity provisions of the Constitution inasmuch as both the Territories are deemed to be a part of the United States. In effect we would be discriminating against the other 48 States of the Union in any case in which they might be reached by going outside the continental limits of the United States.

For example, a person might get on a boat in Miami and travel through the Panama Canal to the home State of the able minority leader [Mr. KNOWLAND]. All of such travel would be travel outside the continental limits of the United States. Do we propose to establish a precedent in this particular case which will enable steamship companies to say, in a given case, "We think this particular trip should not be taxed," and to cite as their authority the precedent which we established here?

Mr. LONG. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. LONG. Under the terms of the proposed legislation—and I am in support of the bill, and also of the amendment—it would be possible, if I correctly understand the measure, for a person to buy a ticket in New York City and fly to Mexico City, let us say, without any portion of that trip being taxed. Is that not true?

Mr. SMATHERS. That is correct.

Mr. LONG. Under the terms of the amendment we are proposing, Hawaii, being in competition with Acapulco, Mexico, would be affected by the tax covering that part of the United States over which the plane flew. Only about 40 percent of the trip would be exempt. So we are not asking nearly as much for Hawaii and Alaska as is being asked for Mexico, Cuba, and other countries.

Mr. SMATHERS. Economically speaking, the Senator from Louisiana is eminently correct, as is the Senator from Oregon and the Senator from California.

But are we not establishing a principle here? The Senator from Louisiana is a strong advocate of statehood for Hawaii and Alaska. One of the arguments he uses is that they are incorporated Territories, and that they are being treated in many respects as States.

What would happen with respect to the Senator's own State of Louisiana if it were desired to create a little more travel between Florida and Louisiana? Most of the trip would be over the waters beyond the continental limits of the

United States. Will it be said that that particular portion of the trip should not be subject to tax because we have eliminated, by this amendment, the tax on travel from San Francisco to Hawaii?

Mr. LONG. So far as I am concerned, I should like to repeal the entire transportation tax. But if we are to tax transportation within the United States, and exclude transportation outside the United States, it seems to me that the Territories of Hawaii and Alaska, in seeking American tourist trade, have the same problem as almost any foreign nation in trying to attract the American tourist dollar. Therefore, I feel that they should have the same consideration.

Mr. KNOWLAND. Mr. President, I hope the proposed legislation will be enacted, and that the amendment which has been proposed by the Senator from Oregon [Mr. MORSE] on behalf of himself, the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. KUCHEL], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Washington [Mr. JACKSON], and the junior Senator from Oregon [Mr. NEUBERGER] will be accepted by the Senator in charge of the bill and taken to conference. I hope it may be retained in the bill in conference.

This amendment would, in effect, place the proposed legislation in the situation in which it was when it passed the House of Representatives.

The question of establishing a precedent has been raised. I think the legislative history is perfectly clear. This is not a subterfuge whereby someone leaving Florida and flying to New York would be exempted merely because a part of the flight might be over international waters. I think the legislative history is clear, to the effect that such is not the intent; nor would it be countenanced. Nor would a flight from San Francisco to Seattle, if it passed over international waters, be exempted. It is not the legislative intent that that be done.

However, in view of the fact that certain of our good neighbors in the Caribbean area are exempted, it is perfectly logical, in view of the prior exemptions made with respect to travel to Europe, and our action with respect to our possessions of Puerto Rico and the Virgin Islands, that equal consideration be given to Hawaii and Alaska. Otherwise there would be a discrimination against the Territories of Hawaii and Alaska.

I believe that no unusual precedent would be established in this regard. The fact remains that neither Alaska nor Hawaii is a State of the Union today. I wish I could be sure that statehood legislation would be enacted at this session of Congress. I am not that optimistic at the present time. However, I hope consideration may be given to statehood legislation at an early date. But by the time these two great Territories become States—as I think they are destined to become in the not too distant future—I hope we can eliminate the entire transportation tax. Actually, it is an undue penalty imposed particularly upon people in the far reaches of our country. In normal times I believe that it places an unnecessary burden upon them. I hope that by the time Alaska and Hawaii become States in the Union we shall have abolished the transportation tax upon travel between Florida and California or between New York and Seattle.

Mr. MORSE. Mr. President, I merely wish to buttress what the Senator from California has stated, so that we may pin down the legislative history, so that there will be no doubt about the legislative intent. It is certainly not our intention to set up any such precedent as the Senator from Florida has suggested. Rather, it is our intention to provide that the bill shall deal only with trips from the mainland of the United States to Alaska and Hawaii, and from Hawaii and Alaska to the mainland of the United States. That is the purpose and intent, and I believe it is clear in the language. I do not believe there is a necessity for any modifying language. With that statement, I am ready to submit the amendment to a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE] and other Senators to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. DANIEL. Mr. President, I send to the desk an amendment to the committee amendment, and ask that it be read.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 5, line 24, of the committee amendment, it is proposed to strike out "225" and insert in lieu thereof "100"; and on page 6, line 2, to strike out "225" and insert in lieu thereof "100."

Mr. DANIEL. Mr. President, the amendment would merely change the distance provisions in the bill from 225 miles to 100 miles. I am offering the amendment on behalf of myself and the distinguished senior Senator from Texas [Mr. JOHNSON]. We have heard from constituents along the Mexican border who feel that the bill should be applicable to travel between the border and Monterey, Mex. Several cities along the Mexican border would come within the provisions of the bill if it were amended to change the distance from 225 miles to 100 miles.

Mr. President, I hope the distinguished Senator from Florida will at least agree to take the provision to conference, so that it may be given due consideration.

Mr. SMATHERS. Mr. President, I may say to the distinguished junior Senator from Texas that we discussed this point for quite some time in committee. The senior Senator from Texas was interested in it, and the proposal was thoroughly debated before the Committee on Finance. It was determined, after much discussion, that we had to have a 225-mile buffer zone. If we did not have it, we were afraid we would encourage too many people to avoid the payment of the 10 percent transportation tax. For example, if trips to any point in Mexico were tax free, a person going from Washington to Los Angeles could buy a ticket to Tijuana, Mexico. If the entire ticket was tax free, he would have saved money by purchasing the ticket all the way to Tijuana although he never intended to go farther than Los Angeles. The distance of 225 miles, rather than some other distance, was fixed to establish a sufficient distance in Canada or Mexico that it would not commonly be possible for a person to purchase a ticket to a foreign destination at a lower price than he could purchase one to an American city that was his actual destination. We were afraid that we would be opening up a Pandora's box of trouble if we cut down the zone to less than 225 miles. It was the considered judgment of the committee that we could not very well do it without getting into all kinds of difficulty.

Therefore, it is with deep regret that I must say to my very good friend, the able and distinguished junior Senator from Texas, that on behalf of the Committee on Finance we just cannot take the amendment to conference. I hope the Senate will reject it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. PAYNE in the chair) laid before the Senate a message from the President of the United States submitting the nomination of James W. Barco, of Virginia, to be a Deputy Representative in the Security Council of the United Nations, which was referred to the Committee on Foreign Relations.

MAINTENANCE OF A PERMANENT DOMESTIC TIN-SMELTING INDUSTRY IN THE UNITED STATES—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which, with the accompanying document, was referred to the Committee on Banking and Currency:

To the Congress of the United States:

Pursuant to the provisions of Senate Concurrent Resolution 26 of April 21,

1955, I transmit herewith for the information of the Congress a report entitled "A Study on the Feasibility of Maintaining a Permanent Domestic Tin-Smelting Industry in the United States."

The study was made for me by the Office of Defense Mobilization with the assistance of a special interagency group comprised of representatives of the Departments of State, Treasury, Defense, Interior, and Commerce, the General Services Administration, and the United States Tariff Commission.

I concur with the conclusions of the study and I am also in accord with the recommendation contained in the attached memorandum from the Director of the Office of Defense Mobilization.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 29, 1956.*

THE PORTSMOUTH STORY

Mr. BENDER. Mr. President, recently in Portsmouth, Ohio, a unique celebration was held by labor, capital, and the community, celebrating an event which has come to be called in Ohio the Portsmouth story.

In Portsmouth great progress has been achieved through the cooperation of management, labor, and the community. As a matter of fact, the celebration is very unique, since the industries concerned and the labor organizations and the community have been operating on a wholesome basis, and the entire citizenry turns out for the celebration. That fine relationship has existed there over a long period of time.

There is one phase of the development, however, which is very unfortunate indeed. Transportation facilities are greatly lacking in the area, particularly air service. Portsmouth is identified with the neighboring atomic-energy plant and with the vast development of the Detroit Steel Co., and many other developments.

I hope the application for air service, principally for the benefit of the atomic-energy installation and the demands of the steel industry, will be considered very seriously, so that the air facilities will be made available.

I ask unanimous consent to have printed in the RECORD at this point an editorial entitled "Looking to the future," published in the Portsmouth Times of February 29, 1956; an article entitled "Detroit Steel To Offer Scholarships in Labor Relations," published in the Portsmouth Times; an editorial entitled "Mutual Understanding," published in the magazine Steel of March 12, 1956; an article entitled "The Portsmouth Story," by James B. Pugh; an address entitled "The Portsmouth Story," delivered by Kenneth A. Dunbar; the text of the address by the Honorable James P. Mitchell, Secretary of Labor, delivered on February 29, 1956; and an address delivered on the same day by Mr. George Reese, assistant director of organizations, AFL-CIO. The addresses were delivered on the occasion of the community celebration.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Portsmouth Times of February 29, 1956]

LOOKING TO THE FUTURE

Tonight's labor-management recognition banquet could go a long way toward establishing Portsmouth in the minds of citizens elsewhere as a 100-percent community.

The Portsmouth area has about every tangible asset needed to attract others to it. It has utilities, transportation, water, good government, good schools, good churches, a good athletic plant, and all the other facilities a community needs. It has friendly people and a cordial welcome for newcomers, as many of them have found out over the years.

Now, tonight, it is making community recognition of another asset which just about fills the kit of things Portsmouth has to offer—fine labor-management relationship.

That asset began to develop some years ago. It got a big boost from the splendid experience of construction workers and contractors who are nearing completion of the mammoth Portsmouth area atomic-energy plant.

At the same time, Detroit Steel Corp. and its employees have developed a fine esprit de corps and achieved a marvelous success in continuing steel production while a major rebuilding and expansion program was in process, without either's interfering with the other. The Selby Shoe Co. is finding harmony under a 5-year contract with its employees. And there are other notable evidences of a spirit of cooperation among labor and management and the community.

Portsmouth is honored signally in having here today and tonight the United States Secretary of Labor, James P. Mitchell, as its main banquet speaker. And there are a host of other notables here from labor and management and government, all at the invitation of the sponsoring Jaycees and chamber of commerce.

The visiting dignitaries will have an opportunity to hear the Portsmouth Story—the story of how a community has achieved community success through the teamwork of its various segments. And Portsmouth people themselves are glad to hear—and to tell—that story.

It is through such a great community effort as this that Portsmouth can continue to progress, and continue to provide the atmosphere for continued growth of its established industry as well as for the new growth everyone feels sure is bound to come.

Labor and management leaders well should be proud of their achievement. Tonight's recognition affair should serve as a challenge for the future and a demonstration of progress that can be made when everyone cooperates toward the common goal of orderly development and growth for Portsmouth.

[From the Portsmouth Times]

THANKS TO COMMUNITY—DETROIT STEEL TO OFFER SCHOLARSHIPS IN LABOR RELATIONS

In appreciation of its acceptance in the community, Detroit Steel Corp., Portsmouth Division, announced Wednesday afternoon a $4,000 scholarship in labor relations.

As far as local officials knew, it was the first scholarship ever offered by an industry in that field.

Besides granting the scholarship winner $1,000 each year for 4 years, the steel company also will grant the chosen college $500 a year for each year the student attends the school.

Max J. Zivian, president of DSC, announced the scholarship as the community honored industry and labor.

The 4-year scholarship, to be made annually "to the boy or girl desirous of pursuing a college course in the field of labor relations, is the company's action in appreciation for the tribute which Portsmouth has paid to both labor and industry in this community," Mr. Zivian said.

Recipients will be entitled to $1,000 each year for the 4 years of his or her college career.

"It is our intent that the scholarship shall be a gift to a well-deserving community," Mr. Zivian said, "We are asking that a group of community leaders, including school officials, determine the recipients of these annual gifts.

"It is our desire to continue the improved relationships which have come to exist here between labor and industry. We believe sincerely that real progress is being made wherein the triumvirate—community, labor, and local industry—is being best served, each with its own responsibilities toward the other two.

"For this reason we also will invite our labor union to be represented on the selection committee."

The boy or girl to receive the scholarship each year is to be chosen on the basis of character, scholarship, interest, and aptitude, Mr. Zivian said. To be eligible, an applicant must be a high school graduate residing in Scioto County, or the son or daughter of a present, retired, or deceased employee of Detroit Steel's Portsmouth Division—in which case the residential requirement does not apply.

Each scholarship recipient will be free to attend any accredited college or university offering a recognized degree in labor relations. One scholarship is to be granted annually, renewable for each year required for a baccalaureate degree.

The recipient must maintain a creditable scholarship record and remain in good standing as judged by his university officials.

The $1,000 scholarship may be used for tuition, books, board, room, or any other legitimate college expense. The accompanying grant of $500 to the college selected by the student is to be paid directly to the college for each year the student attends.

The first scholarship is to become effective in the fall of 1956. As planned, there will be four scholarships in effect, beginning in the fall of 1959 and thereafter, subject to the company's continued approval of the program, Mr. Zivian said.

As an additional aid to scholarship recipients, the company has agreed to provide summer employment for those desiring it.

To insure a well-rounded work experience for the student, Mr. Zivian expressed the hope that the student would elect to alternate his work between the union and the company during summer vacations.

"No recipient, however, will be in any way obligated to become employed by the company during summers or after graduation," he emphasized.

[From magazine Steel of March 12, 1956]

MUTUAL UNDERSTANDING

One of the most unusual demonstrations of the growing desire on the part of management and labor to understand each other's problems occurred a few days ago in the Ohio River city of Portsmouth, Ohio. The entire community took time out for a recognition day to pay tribute to both sides for their efforts in achieving mutual understanding.

Portsmouth had good reason to celebrate. The city was about to become a ghost city when World War II ended. Except for a shoe factory and a few smaller plants, its people were largely dependent for their livelihood on a steel plant that was about to be abandoned. The city's labor record made it unattractive to new enterprise.

Financier Cyrus Eaton came to the rescue by acquiring the steel plant in June 1946, and initiating a modernization program. In January 1950 Portsmouth Steel was consolidated with Detroit Steel Corp. By the end of 1957, $90 million will have been expended on modernization and expansion. Already, jobs have been made for 4,200 workers.

At the outset, Detroit Steel's management decided on a policy of dealing frankly with its employees and the community. It initiated a program of supervisory training and management development. It encouraged management personnel to participate actively in community affairs (its blast furnace superintendent is Portsmouth's mayor). Speakers were provided for clubs and societies, and plant tours were set up for community groups. Educational material about the company was made available to schools. A 4-year college scholarship in labor relations was set up for Portsmouth high-school graduates.

The program for industrial harmony fostered by industry, labor, and the community has paid off in many ways. For example: The Atomic Energy Commission picked a site near Portsmouth for its gaseous diffusion plant. Labor agreements concluded in advance made it possible to complete this $1 billion plant (it employs 2,700) ahead of time and at savings of millions of dollars.

There is nothing especially unusual about the methods used in Portsmouth. What is unusual is the determined effort to make them work through better mutual understanding.

THE PORTSMOUTH STORY

(By James B. Pugh)

May I speak for the joint committee of the Portsmouth Jaycees and the Portsmouth Chamber of Commerce when I express our extreme pleasure in welcoming you all to participate in tonight's meeting so that not only our Portsmouth citizens, but our guests and the Nation can hear the Portsmouth story.

Tonight is the culmination of the dream of every industrial community, namely, that its labor, its management, and its citizens live harmoniously together in mutual understanding and respect, that each facet of our community life recognizes and accepts its responsibility to the whole and becomes thereby committed to continue the same progressive cooperation and peaceful effort which has proved both successful and satisfying.

The first chapters of the Portsmouth story were written several years ago after earlier misunderstandings between labor and management resulted in strife and periodic unemployment.

Over the years the sincere application of faith and commonsense to problems and disparities by both labor and management have resulted in substantially improved relations accounting for the present enviable peace and understanding which now exist. We acclaim and recognize tonight the leaders of both labor and management who have so diligently and ably applied themselves to the task. The production and expansion of our mills and factories reflect the cooperative attitude which has been engendered by high-quality leadership of all parties concerned.

Another chapter of the Portsmouth story was begun in August 1952. In that exciting and important year for us in southern Ohio, the AEC chose the Pike County site on which to build the giant plant we have now come to accept as one of our local industries. Those early uncertain days were filled with speculation, and no little apprehension; first, as to whether the neighboring site would be chosen and then, after the choice was a fact, as to just what to do next.

When the first wild flurry of excitement subsided our dreams for new industry became the reality of thousands of men and machines melting somehow into amazingly efficient forces to accomplish the gigantic construction task which, being now practically completed, we accept, perhaps too casually.

The giant which we call the A-plant, initiated by one of the largest single contracts known to history, now stands as a monument to industry and to labor and to the cooperative effort of both who have performed the Herculean task in record time.

The priority of this atomic energy project, at its inception, demanded a vastly different approach than had any similar project to that time, to the end that both parties to the complex labor-management problem reached a unique, an extraordinary and a fair and sensible agreement and high policy level under which the job was operated. Result—completion ahead of schedule, the saving of millions of man-hours and millions of dollars, the latter of which, in the final analysis, must come from your pocket or mine. And, yes, a most valuable byproduct was revealed in the doing—mutual confidence and pride which grew apace during the progress of the job. To say "Well done" is not sufficiently commendatory. Such cooperative spirit and practical applications, completely aside from the end results, have become a shining example which justifies not only local pride, but national recognition.

I have told you nothing new. Most of you here tonight know the Portsmouth story as well, or perhaps better than I, and it applies not only to the atomic plant but to all our local industries. I am certain most of us also are cognizant of the great strides forward which local labor and management have taken in recent years. We see and feel and are alert to such improvement, but one most important question remains—are prospective businesses and industries aware of improved conditions in this area? All too many times, we must admit, have prospective industries remembered only the old news stories and have quietly turned the page on the Portsmouth area. This fact constitutes another prime reason for this meeting, the unwritten chapter, if you please. We want the Nation to know, not only of the natural resources which lie in the Ohio Valley, but also that our people can supply the know-how, the skills and the leadership to satisfy the most demanding requirement. We can now prove that the entire community is determined to move forward to greater heights.

Our intention in telling the Portsmouth story is to banish once and for all the ghosts of yesterday and to mark a day of dedication by you and me, management and labor, the teacher, the janitor, the banker, the millwright, the stenographer, and the plumber, that by the same and continuing sincere and cooperative effort, we can go forward in the knowledge that each is helping the other and that the mutuality of benefit is recognized by all. We think the Portsmouth story is new and different and unique and that our story, multiplied many times, will prove to be the commonsense American way to build a happy, progressive and prosperous community.

Now, since you have been kind enough to listen so attentively to these brief foregoing remarks, we come to the really important phases of our program. I am sure you will be indulgent in consideration of the problems we have encountered in planning for the many guests and dignitaries who honor us by their presence. We haven't had much opportunity to practice protocol. We are embarrassed that time does not permit us to ask for remarks from all of our guests. It has been necessary, as a matter of fact, to request brevity by reason of our well-filled speaker and guest tables. I use "well filled" figuratively and I hope, literally. To cover with dispatch the Portsmouth story we have planned the next best thing, as you have already noted in your program, namely, to have one representative speak for a particular group; otherwise, it would have been necessary to have the Second Presbyterian women prepare ham and eggs for breakfast in the early morning hours. You are also aware that it is necessary to meet a close time-schedule so that the main address can be carried live by the ABC radio network to some 400 affiliated stations across the Nation. We therefore ask your kind indulgence.

THE PORTSMOUTH STORY

(By Kenneth A. Dunbar)

It is indeed a privilege to take part in the Portsmouth story being sponsored jointly by the junior chamber of commerce and the Portsmouth Chamber of Commerce. To me, the Portsmouth story began to unfold about 4 years ago. It was about that tie that some very serious planning was being done toward a sizeable expansion of production facilities for the separation of the uranium isotope 235 from 238 by the gaseous diffusion method. This program was to include additional facilities at Oak Ridge, Tenn., and Paducah, Ky., and a new plant, the location of which was yet to be decided. It was estimated at that time that the program would cost roughly $2 billion and that the plant at the new location would represent about half of the total cost. The new location ultimately became the Portsmouth area and it is of this plant which I will now confine my remarks.

As you may well imagine, there were many problems to be solved and much work to be done before product could finally be taken from the plant. For discussion purposes, we can group the problems as follows:

1. Design;
2. Selection of site ;
3. Obtaining of power;
4. Construction; and
5. Operation of the plant.

The design criteria and fundamental scoping was done by the Carbide Nuclear Corp. who were at that time and still are operating the plants at Oak Ridge and Paducah. The detailed engineering was done by eight firms, including Giffels & Vallet, of Detroit; Sargent & Lundy, of Chicago; and A. M. Kinney, of Cincinnati. There were roughly 14,000 drawings made by these eight firms.

The criteria for the site included several very important requirements such as—

1. An area of 6 to 10 square miles not subject to flooding and with suitable soil on which to build.

2. An area in which sufficient crafts and labor could be assembled to meet the needs of construction and operation, and in which reasonable stability could be expected.

3. An abundant water supply (40 million gallons per day).

4. An area in which there existed cities and towns of sufficient size to provide some and absorb reasonably well the remainder of the manpower requirements.

5. An area in which cheap electric power could be produced and, during the time that new generation was being constructed, could provide sufficient power and energy to meet our needs.

6. A location where adequate rail facilities existed and where highways were adequate at least until improvements could be made.

In addition, there is another factor which is very important and that is the support of the community. A successful venture needs community support. Your civic leaders assured this support before the selection was made and it thus became a plus factor in the decision to locate here.

The problem of obtaining power was solved by an agreement with the Ohio Valley Electric Corp. for the supply of both interim and permanent power. This corporation is made up of 15 utility companies located

within this general area. In order to provide our permanent requirements of nearly 2 million kilowatts, OVEC constructed two steam generating plants, one near Gallipolis, Ohio, and the other near Madison, Ind.

In order to get the plant built, we considered all of the construction firms in the United States that we thought were capable of handling the job and finally selected the Peter Kiewit Sons Co., of Omaha, Nebr. An exhaustive search for qualified specialty subcontractors finally culminated in the selection of the Reynolds-Newberry joint venture for the electrical work, Grinnell Corp. for the piping, and George Koch Sons, Inc., for the sheet-metal work.

The fifth of the problems mentioned was the selection of a firm to operate the plant. In order to do this, many firms whose business was such as to qualify them, were contacted and invited to submit proposals. A careful study of these proposals finally led us to the conclusion that the Goodyear Tire & Rubber Co. offered us the best organization with which to successfully operate the plant. Thus the Goodyear Atomic Corp. was formed by the Goodyear Tire & Rubber Co. for the purpose of operating the plant for the Atomic Energy Commission.

Due to the strict limitation of time, I have really boiled the problem down. We are, however, far enough along in the Portsmouth story to check some of the theoretical answers with actual ones, and I am happy to report that the calculations were good. Our contractors have lived up to expectation. Our plant construction has progressed through a peak employment of slightly over 20,000 construction workers to a force of about 500. Our original time schedule was met and slightly bettered. Our actual cost is considerably below the original estimate. Interim power has been supplied in needed quantities and the two generating plants are substantially complete. The segments of plant which Goodyear have operated to date have performed as expected. They were able to recruit and train an adequate number of people for the job. Their employment of roughly 2,700 people appears to be sufficient. We have found the State and local communities to have been most cooperative. The impact was taken in an admirable fashion. There was exhibited throughout the job a sincere effort on the part of labor and management to mutually resolve their differences and progress together toward a common goal. This teamwork played an important role in meeting schedules at reasonable costs. Both labor and management have reason to be proud. And certainly your community can be proud, not only of the fine labor-management record which has been established, but also of the fine manner in which you received newcomers and the hospitality shown during their stay. It is sincerely hoped that the plant has filled a need for employment in this area and that more fields have been opened for those young people who are now choosing a profession or are seeking an occupation. It is also hoped that other industry will find an analysis of the Portsmouth area to their liking and you all will be rewarded with their locating here. May the Portsmouth story continue to be good reading.

SPEECH OF THE HONORABLE JAMES P. MITCHELL, SECRETARY OF LABOR, FEBRUARY 29, 1956

We are gathered here tonight to tell and to celebrate the Portsmouth story. I think too, tonight, we have another thing to celebrate, at least I have. I can't begin to talk tonight, without sharing with the millions of American citizens and the millions of people throughout the world, the joy and the gratitude we all feel that the President of the United States, President Eisenhower, has decided to continue in office for another 4 years.

The purpose of this meeting is to celebrate and to attest to a stirring story of labor-management cooperation, that I think is one of the signal stories in the country today. I had the opportunity, today, to meet with representatives of labor, with representatives of management, and to visit several of the plants in this area. And I want to tell you, as I talked to labor and talked to management and met with the men and the women who man your offices and your plants and your mills and your factories and your hearths, that you have in this area a labor-management cooperation that should be the envy of most communities of America. And I think that business can well be proud and labor can well be proud of the spirit that was evident to me in all my visits and trampings today through the mills and factories. It seems to me that what I saw represented one of the most precious business assets that any community can have, and that is an asset of people working harmoniously together in a common cause. I think we have come to the stage in this country, when we realize that between labor and management there is a mutuality of interest—that they are both dedicated to the same common cause which is the preservation of the free-enterprise system.

Surely, labor realizes today, as Mr. Reese has so well said, that its members are trade union, it is true, but that its members are also citizens of the community. And management realizes today that it has a responsibility to its employees and a responsibility to the community in which it lives. Labor realizes that there are no jobs unless management exists. And management realizes that it cannot produce a product or make a profit without the workers who work in their plants. Labor realizes that management's position competitively is a vital force which must be recognized by labor. And management realizes that labor is entitled to and must get a fair share of the products of its labor. It seems to me that this concept of mutuality of interest that is so well expressed in this community is something that we in the United States, every community in the United States, can well envy.

When you realize that in Portsmouth, Ohio, and in many other communities throughout the land, the old philosophy of squeeze labor; the old philosophy of hate the boss; has disappeared; we find them both going down the same road toward the preservation and improvement and increase of the products they are both making. When you see this in Portsmouth, Ohio, you wonder why it shouldn't be true in every community throughout the land. It is true in many and it has grown stronger each day.

As I travel about this country, I have seen the mutual respect and regard of management for labor and labor for management grow. There has begun in this country, at the grassroots level, a recognition of one for the other. There has begun in this country, a recognition that the free-enterprise system, which we here in America regard so preciously, is the foundation on which our prosperity is built. In Portsmouth, Ohio, I think we have an evidence, an evidence here tonight, what can be done, when labor and management see alike, in terms of their mutuality of interest. Certainly, this does not mean, and I'm sure labor and management would not want it to mean that these things can be accomplished without difficulties. Certainly, we are going to have disagreements, as between management and labor, as to how each one shares the product they both produce. Certainly, we are going to have in the free-enterprise system, industrial dispute. We are going to have strikes in the free-enterprise system, but I think as this mutual regard and understanding grows, we will have a greater era of industrial peace, fewer strikes than we have had in the past.

In talking to the people today in the shops and in the plants, I could not help but think that here in this area you have a skilled labor force in the building trades, in the plants; a skilled labor force that is devoted to the job at hand. A skilled labor force that in the main, owns their own homes. A skilled labor force that is an integral part of the community in which they live and that asset to business is an invaluable asset, as I'm sure business recognizes. And I hope that communities throughout the country might take a leaf out of the book of Portsmouth, Ohio, and pay homage and recognition to the industrial peace which exists in many communities in this country. In this respect, I think Portsmouth, Ohio, has led the way, and I am sure many other communities, with the assistance of labor and of management may see fit to do as Portsmouth has done and to take recognition of harmonious labor relations which I have called business' most precious asset.

You know, in this free-enterprise system of ours, Government has a very little part to play. The level of prosperity which is being enjoyed today; the low level of unemployment; the high wages; the stability of the cost of living; the high standard of living; is due largely, in my opinion, to the fact that the Government policy has been to unleash the ingenuity and resourcefulness of management and of labor at the local level and permit it to flower, and as a result of that unleashing, you have all over this country, greater investment in plants, greater investment in equipment, all of which provide jobs. You have a greater investment in things that make life better living in terms of automobiles, refrigerators, television sets, and all the things that increase our standards of living.

I am sure that the announcement tonight of an additional $20 million to be invested by the Detroit Steel Corp. in Portsmouth, is evidence enough that given confidence in the future; business, management, using your money and my money will invest to the limit in the future of any community in which it has confidence. And the evidence of the Detroit Steel Corp. today, I think is real evidence of its confidence in the labor of this community, and for that expression of confidence I congratulate both the community and organized labor groups within this community which have made this investment possible.

As I walked through the plants today, several thoughts occurred to me, as to problems of the future. As you know, President Eisenhower, the other day, released over $1 billion of nuclear energy power for civilian use to the world. That means, I believe, that we of the future, in labor and in management, are going to be presented with problems that we have never confronted before. Right now, in the plants that I visited today, there was evidence of those problems arising. One of them is: What do you do about the skills that are going to be required in the future, and that are required, even now, in some occupations. Mr. Reese, representative of the AFL-CIO of Washington, mentioned the basic interest of that great organization in schools and I would like to take a moment to develop what good schools mean in terms of future business, because it seems to me that unless we look ahead to see what skills are required to do the jobs that must be done in the next 10 years, and unless we take a look ahead to see what training is required to develop those skills, we may find ourselves unable to produce the things that our people can use and need. Certainly, as jobs become more complex; as jobs become more mechanized; as jobs are created as a result of improved technological methods; it means in my mind, that the people who are to be trained in those jobs have to have a basic education that many of our children in the past have

not received and that many of our children currently are not receiving. So it seems to me that the community, labor, and management have a very selfish interest, in terms of the future, in the real development of the necessary schooling for all of our children.

As I walked through the plants today, I saw other problems. This problem of skill; the higher the skill, the more difficult it is to get a man to do it, and it seems to me that if we are going to meet the skill requirements of the future, we have got to develop, we have got to develop every single American to the highest potential of which he or she is capable in terms of skill. It seems to me that we cannot any longer tolerate in America the waste of manpower that we have tolerated for so many years. For example, from just good, hard, business commonsense, we can no longer tolerate the waste of the manpower of 6 million Negroes. If we are to meet the Communist threat, we can meet it not in numbers of workers, because we are outnumbered many times. We can only meet it in terms of the skill, the individual skill of every single, last American man and woman. And if we are to develop that skill, or permit that skill to be developed, in terms of skilled mechanics, in terms of technicians, in terms of scientists, in terms of engineers, then we must begin right in the communities to build our schools and make them adequate to do the job, so that industry in turn can build on that basic education in the training of people.

I saw another problem today as I went through the plants. In one plant I was impressed by the fact that I met people with 30 years of service, with 35 years, with 44 years of service. Men doing an actual tough skilled job in the various shops. We have got to learn in this country ways and means of further improving our methods and our techniques in the use and employment of older workers. We have been discriminating as a matter of personnel policy too long against older people in jobs.

These are some of the problems that I saw as I went through the plants, and I would like to leave this thought with you. If we value the society in which we live, if we value the things like homes, work, church, then we must necessarily support with all our hearts this wonderful thing we call, for the want of a better name, the free-enterprise system; because I believe that in so doing, like Lincoln said, "We can nobly save or meanly lose the last best hope on earth."

Thank you very much.

ADDRESS BY GEORGE REESE, ASSISTANT DIRECTOR OF ORGANIZATIONS, AFL–CIO, AT LABOR-MANAGEMENT RECOGNITION BANQUET, PORTSMOUTH, OHIO, FEBRUARY 29, 1956

The city of Portsmouth and the workers therein are synonymous. The largest group of citizens of this city are the wage earners and the progress of Portsmouth is therefore intimately bound up with the advancement in the welfare of those who depend upon wages for their livelihood. The purpose of the AFL–CIO is to improve the standard of living of all workers and insure freedom and justice for all.

To make the community a better place to live, has been a foremost purpose of the AFL–CIO since its inception. Abraham Lincoln once said: "The strongest bond of human sympathy outside the family relation should be one uniting all working people." Our concern as a labor organization has not been confined to the welfare of labor alone. From the outset, we have proposed and supported programs and policies designed to raise the general standard of living, to provide for better community services.

As our President, George Meany, said in 1952: "No officer or member can place the welfare of his union or the welfare of his members ahead of the welfare of the country as a whole." Organized labor is taking its place as a responsible partner in those industries and services which serve the Nation's needs. It is accepted politically and socially as a constructive group in the community. This is the result of organized effort—not chance. It is our obligation to hand equal opportunities on to future generations and such added progress as we are able to achieve.

The major share of responsibility for the development of public schools in this country belongs to organized labor. In the days when schooling was available only to the children of the well-to-do, unions fought for free public schools so that children of wage earners could have equal educational opportunities. It was the trade-union movement also that conducted the successful campaign for free textbooks.

Enactment of child labor laws and of compulsory school attendance laws secured by organized labor took the children of wage earners out of factories and mines and enabled them to get the necessary schooling.

When we fight for better schools for the children of our members, we are helping to provide better schools for every family and a better break for every child. When we seek the elimination of slums and the promotion of better housing, we are not just advancing some special interest of trade-union members—we are helping to make the community at large a better and a more wholesome place in which to live and raise a family. When we undertake to advance the cause of democracy in local, State and National affairs, and to secure a type of representation that will respond to the pressing needs of the many rather than the selfish demands of a few, we are not working for labor government but for good government, in the best American tradition.

For the trade-union movement is native to the soil. It springs from the natural aspirations of the men and women who comprise the solid base of every substantial community. Power, in the AFL–CIO does not flow from the top down, or from some remote centralized authority. It wells from the bottom up, through the efforts, energies, and devotion of millions of individual members, working through their local organizations. Those local organizations, serving workers at firsthand in their shops and hometowns, are the fountain heads from which all of the strength and vigor of organized labor at large are drawn.

The whole can be no greater than its component parts, and the chain no stronger than each of its links. Only to the extent that labor succeeds in fulfilling its proper role in the life of the local community can it hope to grow and endure as a force in the life of the Nation. Thus, the progress of the trade unionists of this area—so well exemplified by this occasion—in source of encouragement and renewed confidence for all of us within the whole family of the AFL-CIO.

Just as the origins of trade unionism stemmed from the efforts of individuals to make a better life for themselves in their own native surroundings, its end results must be measured by the extent of labor's contribution to the improvement of local conditions. Everything that we are able to accomplish through every channel and at every level of activity is ultimately reflected in the status of our members in their own hometowns and neighborhoods. Labor's gains are of value only to the extent that they find their final expression in a better and a more abundant life, a more wholesome environment, and a more fruitful range of opportunities for the working men and women in their own community.

Every element of the community has a stake in those gains, for labor does not, and cannot, serve itself alone, in isolation from the welfare of the rest of society. Our progress is shared by every group within and without the family of labor.

We need apologize to no person or group for the direction of our efforts for the methods we employ, or the results of those efforts. The trade union serves basic human needs, responds to basic human drives and aspirations, and is closely attuned to the practical requirements of the times and conditions in which we live. The trade union is far more than just another pressure group. It is, and will continue to be, an active movement forward, in the vanguard of progress, toward a better life for all.

Labor is a stable, permanent part of the community, casting its lot—for better or for worse—with the future of the community. The object of labor is to place its hands and skills in the services of local improvement, to enlarge the opportunities that exist for all individuals and groups within the home community, so as to make it a better and a richer place in which to work and live.

The AFL–CIO stands today in membership, vigor, and solidarity at the highest point of its development. This progress is reflected in the pay envelopes and in the standards of life, labor, and leisure enjoyed by the millions of trade unionists throughout the length and breadth of this land. Perhaps the greatest testimonial to the AFL–CIO today is that, regardless of the fact that we have many who oppose the trade-union movement in America, our membership each year grows and grows and stands today that no enemies of labor can long retard a movement such as ours, so deeply rooted in basic human needs and aspiration, and so responsive to the practical requirements of the time in which we live.

Our responsibilities and our interests extend around the world and reach into every community. Upon the quality of our performance in meeting those heavy responsibilities may well depend the future of democracy, the ideal of human progress, and the institution of freedom itself. These responsibilities begin in the local communities, the towns and cities of America, where our members must live, find education, housing, and medical care and make a place for themselves in society.

If we in the AFL–CIO neglect our role in the life of the community we can never hope to grow as a force in the life of the Nation or in the affairs of this world. There is no conflict between the trade-union movement and the community at large. Our members, after all, are the people from many different walks of life, and their interests are broadly representative of the basic interests of the people as a whole.

In analyzing our social problems and the responsibilities which we face today I am confident all will agree that in a society such as the one in which we live cooperation between individuals and groups, between labor and management, is absolutely essential. Here we are working together in a knowledge that by contributing to the good of all the individual gains most for himself. It seems that here in America we are blessed with the spirit and ability to work together better than anywhere in the world. Indeed history well demonstrates tragically that freedom and democracy cannot survive unless there is the universal desire to work together voluntarily in a common cause.

In asserting our cherished independence we must always be aware of, and responsive to the duty and responsibility of joining in worthy projects. Which in altogether too many lands are carried on, if at all, under the threat of the gun or the lash. If it be true that voluntary cooperative effort is the means of strengthening our social system

and in finding a solution to our social problems, then indeed it follows that participation by all is imperative. All must share, labor, management, and other segments of our society. If this effort is to spell success, the social problems that we face must be faced with the responsibility to achieving a positive end in correcting them. For social problems are manmade. If social problems are manmade then they can also be unmade by man.

It is time we recognize that the things we call social problems are the makings or unmakings of man. We in the trade-labor movement have a long tradition particularly here in America that the impossible is merely a little more difficult than the rest to achieve.

The problems with which all of us are concerned are all interdependent one with the other. If we are working in the field of health we know that our progress ultimately comes up against the upper limits of education, and of housing and of general well being. If we are working in the field of education we know that we cannot leave untouched, housing and health, community organization, and material welfare. There is nothing separate to any of them and to touch one is to be involved in all.

Social workers today deserve a great deal of credit for their time and effort in trying to solve these problems. It is our duty in the AFL-CIO, and responsibility, to help them solve these problems to the best of our ability. For some unknown reason social workers in seeking help in solving a problem, look upon labor and management as not only too diverse but too perpetually antagonistic groups in the community. This is not so, actually both labor and management could point out many cooperative programs that they are carrying out for the benefit of their workers and also for the benefit of the community.

Enlightened management no longer seeks to carry out these programs alone but now seeks and welcomes the cooperation of their organized employees. As we broaden the base of interest we invite and inspire more good citizens to carry on the united campaign services.

Labor and management are recognizing more and more every day their great responsibilities to their communities. Management today recognizes the right that management has to make progress, but both labor and management have a right to make progress only when their progress is a part of the total progress of the whole community.

To those assembled here today, who are members of the AFL-CIO I would like to leave this message with you.

There are some who would call all of this participation in community welfare, good public relations. I prefer to call it good human relations. The challenge of the day is in building sound, honest, good human relations. It means to maintain and promote the living standards of the well and to raise those of the needy. It means to actively live up to, the second moral and religious commandment, the vital principle behind all voluntary agencies. "Thou shalt love thy neighbor as thyself."

DOMESTIC RELATIONS BRANCH, MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

The PRESIDING OFFICER (Mr. MANSFIELD in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1289) to establish a domestic relations branch in the municipal court for the District of Columbia, and for other purposes, which was to strike out all after the enacting clause and insert:

DOMESTIC RELATIONS BRANCH, MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

SEC. 101. That there is hereby created in the municipal court for the District of Columbia, a domestic relations branch.

SEC. 102. Definitions: As used in this act—

(a) "Branch" and "Domestic Relations Branch" mean the Domestic Relations Branch of the Municipal Court for the District of Columbia created by this act;

(b) "Court" means the Municipal Court for the District of Columbia and the several judges thereof.

SEC. 103.(a) Additional judges: The first section of the act entitled "an act to authorize the appointment of three additional judges of the municipal court for the District of Columbia and to prescribe the qualifications of appointees to the municipal court and the municipal court of appeals, and for other purposes," approved October 25, 1949 (63 Stat. 887), is hereby amended by striking therefrom "thirteen" and inserting in lieu thereof "sixteen."

(b) The judges appointed to the additional positions authorized by the amendments set forth in subsection (a) of this section shall during their tenures of office serve as judges of the Domestic Relations Branch, but the chief judge of the court may, if he finds the work in the Domestic Relations Branch will not be adversely affected thereby assign any of said judges of the Domestic Relations Branch to perform the duties of any other judge of the court. The chief judge of the court shall also have the authority to assign any of the other judges of the court to serve temporarily in the Domestic Relations Branch if, in the opinion of the said chief judge, the work of the Domestic Relations Branch requires such assignment.

SEC. 104. The judges of the Domestic Relations Branch, with the approval of the chief judge of the court, shall have authority to appoint and remove a clerk and such other personnel as may be necessary for the operation of the branch.

SEC. 105. Jurisdiction of Domestic Relations Branch: The Domestic Relations Branch and each judge sitting therein shall have exclusive jurisdiction over all actions for divorce from the bond of marriage and legal separation from bed and board, including proceedings incidental to such actions for alimony, pendente lite and permanent, and for support and custody of minor children; applications for revocation of divorce from bed and board; civil actions to enforce support of minor children; civil actions to enforce support of wife; actions seeking custody of minor children; actions to declare marriages void; actions to declare marriages valid; actions for annulments of marriage; and proceedings in adoption.

Nothing in this act shall be construed to divest the United States District Court for the District of Columbia of jurisdiction and power to consider, and to enter and enforce judgments, orders, and decrees in any such action, application or proceeding filed in such court prior to the effective date of this section to the same extent as if this act had not been enacted.

SEC. 106. (a) Domestic Relations Branch vested with power to effectuate purposes of act: The Domestic Relations Branch is hereby vested with so much of the power as is now vested in the United States District Court for the District of Columbia, whether in law or in equity, as is necessary to effectuate the purposes of this act, including but not limited to, the power to issue restraining orders, injunctions, writs of habeas corpus, and ne exeat, and all other writs, orders, and decrees.

(b) The Domestic Relations Branch shall have the same power to enforce and execute judgments, orders, and decrees entered by it as is now vested in the United States District Court for the District of Columbia. Judgments of the branch shall have the same legal status as liens upon real estate as judgments of the United States District Court for the District of Columbia.

SEC. 107. (a) Amendments of statutes: Section 963 of the act approved March 3, 1901 (31 Stat. 1345, ch. 845), as amended by the act approved June 21, 1949 (63 Stat. 215, ch. 233; sec. 16–416, D. C. Code, 1951 edition), is amended by striking therefrom "United States District Court for the District of Columbia", and inserting in lieu thereof "Domestic Relations Branch of the Municipal Court for the District of Columbia."

(b) Subsection (a) of section 3, and section 13 of the act entitled "An act to prescribe and regulate the procedure for adoption in the District of Columbia", approved June 8, 1954 (68 Stat. 241), is amended by striking therefrom "United States District" and inserting in lieu thereof "Domestic Relations Branch of the Municipal."

(c) Section 6 of the act entitled "An act to regulate the placing of children in family homes, and for other purposes", approved April 22, 1944 (58 Stat. 194), as amended, is amended by striking "Office of the Clerk of the District Court of the United States for the District of Columbia" and by striking "Office of the Clerk of the United States District Court for the District of Columbia", and by inserting in lieu of each such phrase "Domestic Relations Branch of the Municipal Court for the District of Columbia."

SEC. 108. Docket: A separate docket shall be maintained for the Domestic Relations Branch. There shall be recorded in such docket the actions taken at each stage of each action and proceeding instituted or conducted in the Branch.

SEC. 109. Process: Service of process for the Domestic Relations Branch shall be made by the United States marshal for the District of Columbia or by any of his authorized assistants. Service of process for the Domestic Relations Branch may also be had by publication in the same manner as service of process is had by publication for the United States District Court for the District of Columbia.

SEC. 110. Rules: The judges of the Domestic Relations Branch, with the approval of the chief judge of the court, shall by rules prescribe the fees, charges, and costs and the forms of process, writs, pleadings, and motions, and the practice and procedure in actions and proceedings in the Domestic Relations Branch. Such rules shall neither abridge, enlarge, nor modify the substantive rights of any litigant. Except as otherwise specifically provided by such rules, the applicable Federal Rules of Civil Procedure shall govern in the Branch.

SEC. 111. Appeals: Any party aggrieved by any final or interlocutory order or judgment entered in the Domestic Relations Branch shall have the same right of appeal available in respect to any final or interlocutory order or judgment entered in the civil branch of the court.

SEC. 112. Sessions: The Domestic Relations Branch, with at least one judge in attendance, shall be open for the transaction of business every day of the year except Saturday afternoons, Sundays, and legal holidays, and, if deemed necessary, may also hold night sessions.

SEC. 113. Jurisdiction of Juvenile Court not affected: Nothing contained in this act shall be construed so as to affect or diminish the jurisdiction of the Juvenile Court of the District of Columbia, or any judge presiding therein.

SEC. 114. Appropriations authorized: Appropriations for expenses necessary for the operation of the Domestic Relations Branch, including personal services, are hereby authorized.

SEC. 115. Effective dates: This act, except sections 105, 106, and 107, shall take effect

upon its approval. Sections 105, 106, and 107 shall take effect 30 days after the appointment and qualification of the 3 additional judges authorized by this act to be appointed to the court.

Mr. MORSE. Mr. President, I am pleased to report that this morning the Committee on the District of Columbia decided by unanimous vote to substitute the House bill for the Senate bill in connection with the so-called family court in the District of Columbia.

I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

ORDER OF BUSINESS

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. SMATHERS. I understand that the senior Senator from Oregon desires to make a speech.

Mr. MORSE. Mr. President, I have a brief dissertation.

Mr. SMATHERS. I may say for the benefit of the Senate that the acting majority leader has been instructed to move that the Senate adjourn at the conclusion of the remarks of the Senator from Oregon.

RURAL REVOLT—ARTICLE PUBLISHED IN WALL STREET JOURNAL

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, a very interesting article published in this morning's Wall Street Journal. The Wall Street Journal is not known as an anti-Republican paper. On the contrary, it is frequently referred to as the economic handbook of the Eisenhower administration. The article I have reference to is entitled "Rural Revolt—Liked Ike in 1952, but Plan Switch in 1956, Say Minnesota Farmers—President, not Benson, Gets Most Blame for Sliding Income, Rising Costs—Politics and the 20-cent Hogs."

The article stresses so many of the things which I have been stressing since the inauguration, when I started to place the responsibility exactly where it belonged, on the President of the United States, that I ask unanimous consent to have the article printed in the RECORD at this point as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RURAL REVOLT—LIKED IKE IN 1952 BUT PLAN SWITCH IN 1956, SAY MINNESOTA FARMERS—PRESIDENT, NOT BENSON, GETS MOST BLAME FOR SLIDING INCOME, RISING COSTS—POLITICS AND 20-CENT HOGS

(By Sterling E. Soderlind)

BLUE EARTH, MINN.—"This is a real farmers' rebellion against Ike, his hired man, Benson, and their farm program. You bet I'm voting Democratic this fall. I never knew I would hurt myself so much when I voted Republican in 1952."

Richard Quaday, a hog and corn farmer near this southern Minnesota town, thus explains his defection from Republican ranks. Shocker for the GOP: Interviews with farmers in this State show that 3 of every 5 who voted for Mr. Eisenhower in 1952 now plan to switch to the Democratic candidate in November.

The discontent of Mr. Quaday and other Minnesota farmers, which received its first political expression in the March 20 Minnesota presidential primary election, is of growing importance to both the Republican and Democratic Parties. Serious farm dissatisfaction could cost the GOP congressional seats and electoral votes in key Midwest States in November.

POLITICIAN, PUNDIT VIEWS

Politicians and pundits began arguing the meaning of the Minnesota election results even before the polls closed. Republican leaders generally attributed Senator ESTES KEFAUVER'S resounding victory over Adlai Stevenson as a slap at alleged dictation and bossism of the Democratic-Farmer-Labor Party and its leaders, Gov. Orville Freeman and Senator HUBERT HUMPHREY.

Democrats like Senator KEFAUVER and Mr. Stevenson noted that the total Democratic vote was more than double the GOP vote, indicating, they said, an agrarian revolt and a smashing repudiation of the present administration. The Stevenson forces also laid their defeat to thousands of KEFAUVER Republicans, who, according to their theory, invaded the Democratic primary to stop Stevenson and embarrass D. F. L. leaders.

Both parties are now at work checking these theories and what they portend for November. Shortly after President Eisenhower said he thought the Minnesota election should be studied to see what it means, the Republican National Committee assigned three staff members to help the State party organization analyze the vote.

DISSATISFACTION DEEP

Wall Street Journal interviews with Minnesota voters this week indicate that Republican analysts will find little to be happy about in rural Minnesota. The interviews, with nearly four score farmers, show their dissatisfaction is deep, bearing out the Democrat's theory of agrarian revolt.

"I switched over from Ike to the Democrats last October when I got as low as $9.45 a hundred for 250 hogs I marketed," said Francis O'Neil, who farms 240 acres southwest of Blue Earth. "I've taken a personal beating under the Republicans. As far as I'm concerned they have a mighty tough row to hoe from now on."

Farmer Quaday says he waited 3 years "for Ike to make good his farm promises made right here at Kasson, Minn., in 1952. But nothing is getting better and I have eight kids to support. In 1950 I could have sold out, a house in town and be sitting pretty. Now I couldn't even pay my debts if I sold the works."

SQUARELY ON IKE

While Secretary Benson takes much of the criticism for lower farm income, many farmers place the blame for their personal predicament squarely on the President. Says an Ortonville farmer as he unloads his hogs at the South St. Paul stockyards: "I don't know what folks got against Mr. Benson. I wished I had a hired man that good. He does everything the boss tells him to." The farmer, who liked Ike in 1952, crossed over to KEFAUVER in the primary and will vote Democratic this fall.

Wallace Manthei, who helps his mother run a diversified farm in Kittson County in the extreme northwest corner of Minnesota, says he will change his vote in November "because Benson seems to think that those of us who have trouble in farming should seek employment elsewhere." Mr. Manthei says he doesn't expect the Democrats "will have all the answers either, but at least it will be a change."

The seriousness of farm discontent in Minnesota was measured in a statewide survey by the Minneapolis Tribune's Minnesota poll taken in mid-March, but published after the election. In trial heat pairings, Minnesota farmers favored Senator KEFAUVER over President Eisenhower by 52 percent to 45 percent. In cities Ike led, 56 percent to 40 percent. If they were voting today, the poll showed Ike running ahead of Stevenson, 49 percent to 43 percent among farmers, and 56 percent to 40 percent in cities.

FARMERS UNION VIEW

Edwin Christianson, president of left-leaning Minnesota Farmers Union, which has 35,000 members, termed the results a decisive repudiation of sliding scale farm policies. He noted that the combined vote of the 2 candidates favoring firm, adequate farm programs vastly exceeded the combined vote of the 2 sliding-scale candidates. (The Democrats polled 422,000 to the Republicans 195,000 in incomplete returns. Individual tallies were Kefauver, 239,000; Stevenson, 183,000; Eisenhower, 192,000; Knowland, 3,000.)

Many Republicans argue that the lower GOP vote in the Minnesota primary, in comparison with the Democratic total, is easily explained by the fact that, since Senator KNOWLAND pulled out of the race, there was no Republican contest and little incentive for voting. Says Leonard Hall, Republican national chairman: "Republicans weren't in the Minnesota primary; we were on the sidewalk watching."

But talks with farmers over the back fence, in the feedstore, and along the streets of Minnesota's rural communities leave little doubt that, despite such factors, the farm revolt is real.

And another, more surprising fact emerges from these interviews. Until now it was theorized that although some farmers might express discontent by switching their votes from Republican to Democratic Congressmen this fall and by griping about Secretary Benson, their devotion to Ike remained strong. Actually, almost the opposite seems to be the case.

STAND WITH CONGRESSMEN

Minnesota farmers who plan to switch parties this fall in the presidential election show little inclination at this early date to express their dissatisfaction by voting against the three farm area Republican Congressmen. This is explained by the fact that the Minnesota congressional delegation, with the exception of one Minneapolis representative, is nearly as outspoken against the administration's farm program as their Democratic colleagues.

Not all of President Eisenhower's 1952 farm supporters have soured on him, of course. The President enjoys much good will among Minnesota farmers for ending the Korean war and bringing peace to the country.

"I'd rather be getting half prices and peace instead of full prices and war," remarks Ernest Frank, as he hefts a box of groceries into a truck to return to his farm near Madison Lake. "I was for Ike in 1952, and he'll get my vote again in November."

When asked what it would take to keep them in the Republican ranks this fall, most farmers who plan to switch parties come up with variations on this theme: "We have to have higher prices for what we sell and lower prices on what we buy." Alfred Labf, Blue Earth County farmer, says hogs would have to climb from the present 13 or 14 cents a pound to 20 cents before he would go for Ike again. Farmer Quaday says he won't vote Republican again no matter what happens. "It doesn't pay to have a short memory," he adds.

WHY FARMERS PREFER ESTES

Although Stevenson forces believe the Tennessean beat out Adlai on the Minnesota

farm front because he outpromised their candidate, most farmers interviewed gave other reasons as to why they preferred Senator KEFAUVER.

Comments run along these lines: "KEFAUVER is just more of a farmers' man"; "I can't see going for a loser like Stevenson," and "Me and my friends feel KEFAUVER is more sincere on this farm issue."

Few farmers seemed to think that Senator KEFAUVER's advocacy of 100 percent of parity for low-income farmers gave him any special edge over Mr. Stevenson.

A Mankato farm implement dealer said the fine distinction between the two Democrats' farm policies amounted to the feeling they left in their farmer audiences. "To most of our farmers, Stevenson seemed to be rigid on flexibles while KEFAUVER was flexible on flexibles."

Undoubtedly, many Minnesota Republicans didn't vote in the primary. Yet the GOP total of 195,000 compared not too unfavorably with the total of 290,000 in 1952, considering that there was a Republican contest that year between supporters of Mr. Eisenhower and favorite son Harold Stassen. Ike's vote was a writein, but his backers were in a contest with Stassen supporters, especially in the final days before the election.

REPUBLICAN CROSSOVERS

Some Republican city dwellers freely admit that they took advantage of the primary law which allows voters to cross over into the opposition's primary. Since most of these city crossovers may return to their party in the general election, they are not regarded as posing a serious problem for the Republican Party such as that presented by farmers who have changed allegiance because of an issue.

"Sure I switched over," explains Eli Momsen, a salesman for a St. Paul gold refining firm. "I could name 20 others who did, too. No good Republican would pass up a chance to put FREEMAN and HUMPHREY in their place. Of course I'm for Ike."

"I crossed over just for fun," explains Frank W. Wilkens, a Twin Cities insurance agent. "Stevenson was too glib and I welcomed a chance to vote against him. Of course, I'm no KEFAUVER lover, either."

But such harassing-action crossovers by some urban Republicans can in no way hide the fact that a great share of the switching done in Minnesota was done by farmers and stemmed from deep dissatisfaction with the GOP. Not one farmer was found who had switched his vote just for the harassing effect.

One Blue Earth farmer summed up the general feeling: "I think Mr. Eisenhower needs a rest and I believe we folks around here are going to give it to him."

Mr. MORSE. Mr. President, I also have in my hand another very interesting political announcement of the day which I think is worthy of a comment or two. It is a news item from Bismarck, N. Dak., which reads as follows:

North Dakota's Nonpartisan League broke a 40-year tradition today by voting to switch from the Republican to the Democratic column in filing its candidates in this year's elections.

The action was taken on the 40th anniversary of the league's organization.

A standing vote at the league's State endorsing convention here was about 150 to 7 in favor of the change.

I think that is a rather substantial majority. The article goes on to say:

Some leaders of the Nonpartisan League have been trying for several years to effect the shift to the Democrats. Political sources here saw their success this year as a protest against the Eisenhower-Benson farm program.

The league, although without legal status in North Dakota as a political party, has been a power in State politics since its inception in 1916. It claims strong backing from the Farmers Union, an organization which claims membership of more than 80 percent of the farm families in North Dakota.

Today's action came as no surprise to State political observers. Nonpartisan League county conventions held recently voted heavily in favor of backing the switch.

Mr. President, I am waiting to find my very dear and close friend from North Dakota [Mr. LANGER], because I have always felt that sooner or later he would join with me, and I think that now the possibilities and probabilities are a little greater.

RECURRING BOXCAR SHORTAGES IN THE NORTHWEST

Mr. MORSE. Mr. President, I turn now, in a very serious vein, to a discussion of an economic issue of great concern to the people of my State, to the lumber industry, and to the small businesses of my State. I wish to speak for a few minutes about the boxcar shortage, Oregon's annual headache, and I wish to state for the record where I think the responsibility rests.

I desire to point out, Mr. President, that the No. 1 industry in my State is the lumber industry. It is very frequently said in economic circles, "As lumber goes, so goes employment in Oregon. As lumber goes, so goes the small-business man in Oregon. As lumber goes, so goes the economy of our State."

Mr. President, we have been plagued for many years with a boxcar shortage, and the responsibility for its rests, in my judgment, on two groups—the Interstate Commerce Commission and the railroads of the country.

A group of lumbermen from Oregon are in Washington today testifying before the Committee on Interstate and Foreign Commerce of the Senate, at a hearing which was arranged many weeks ago by the distinguished chairman of that committee, the Senator from Washington [Mr. MAGNUSON]. They will discuss not only the boxcar shortage, but an order known as ICC Order 910, recently promulgated by the Interstate Commerce Commission, about which I shall have a few things to say, and also discuss the bill which provides for laying a penalty on railroads that do not return cars to the true owners as rapidly as they should be returned, within the regulations of the Interstate Commerce Commission.

Mr. President, we just seem to wait each year for this emergency to arise. It usually comes along in July, August, and September, by way of a boxcar shortage, with resulting losses of millions of dollars to the economy of my State. We are being fed up with it, Mr. President. We think that the Congress has a responsibility to take some action in respect to the matter.

I had a few things to say about it before the committee this morning, and I want to make a record in regard to some of the same points in the Senate this afternoon, because I want to serve notice, as I did on the committee this morning, that I do not intend to stop this fight until the people and the shippers of my State get some protection and some help from the Interstate Commerce Commission. The Commission already has adequate authority, within the law as it is presently written, to prevent this fiasco by way of a boxcar shortage occurring every year. The Commission can no longer hide behind the alibi and rationalization that it is a seasonal problem, because it is fast becoming a problem of almost 12 months duration.

I wish to say, Mr. President, that in my opinion, the Interstate Commerce Commission has adequate authority under existing law to do a better job than it has done in connection with alleviating these boxcar shortages each year. The reason why it is not doing so—and I know the seriousness of the statement I make, but I am satisfied that it is true—is that they pay too much attention to the railroads and too little attention to the shipping needs of the people of this country.

I asked this morning for hearings on the part of the Interstate Commerce Committee so that we could bring forth a record and disclose what the Interstate Commerce Commission is up to.

I make the charge that if the Commission paid less attention to the railroads of this country and more attention to the shipping needs of the people, we would not be confronted with the boxcar shortages of such serious proportions that we have suffered for years past. I do not intend to let the Commission off the hook, because I have studied this matter sufficiently to be satisfied that the Commission must share a large proportion of the responsibility for the great losses suffered through the car shortages year after year. I shall bring out in the course of my remarks this afternoon, as I have before the committee this morning, certain aspects of the problem involving the Interstate Commerce Commission.

I serve notice on the Senate that I shall press for hearings on the matter before the Committee on Interstate and Foreign Commerce of the Senate, and as chairman of a subcommittee of the Select Committee on Small Business and as a member of the select committee, I intend to press the question, because we are dealing with inefficiency in administration by a Commission which is a child of the Congress, and we, the Congress, have some responsibility in the matter.

As I pointed out this morning, we should bring this child in and not only give it a spanking, but a horsewhipping, because of its inefficiency and maladministration and its failure over the years to do a better job in connection with boxcar shortages.

I am all fed up with the passing of the buck that we get each year from the Interstate Commerce Commission. They say they do not have enough personnel. That is always the excuse of any commission which is not doing a good job. The question is, What kind of a job are you doing with the personnel you have?

I submit, Mr. President, that the Interstate Commerce Commission is rendering very poor service in this matter. They recognize that if we wait long enough, time will ride out the storm each year. So when we are in the eco-

nomic mess that goes along with the situation, the Commission keeps issuing press releases stating that the problem is seasonal, and that it is doing the best it can. They are trying to put Congress before the public as not having given them enough money to enable them to operate satisfactorily. We have to exercise some judgment in the Congress as to how much they should get.

In respect to certain phases of the Interstate Commerce Commission's budget, I think they do need more personnel, such as in the car policing section, about which I shall have something to say in a moment. But, Mr. President, I think we have a duty now to look into this matter, so far as the policies of the Interstate Commerce Commission are concerned, and see how they have been doing. When that shall be done, I am satisfied we will discover that a very poor record has been made.

Last summer, at the height of the boxcar shortage which confronted the Nation, I traveled extensively in my State, visiting lumber operator after lumber operator, and getting the story as to what the problem was. Lumber operator after lumber operator told me, what I have become satisfied is a fact and can be documented, that much of the cause of the boxcar shortage was the failure of the Interstate Commerce Commission to do an effective, efficient boxcar service policing job, for reasons which I shall point out shortly.

I am making my speech in the Senate today on the basis of a very careful investigation which my colleague, the junior Senator from Oregon [Mr. NEUBERGER], and I have already made of the problem. I do not intend to wait until July or August to do something about it. I serve notice today that I intend to drum the condition into the ears of my colleagues in the Senate week after week, from now until adjournment, in the hope that there will be no excuse on the part of any Senator that he does not have the facts about the matter.

From the standpoint of the interests of the vast numbers of small-business men, wherever there is a boxcar shortage, this is a problem about which Congress has the duty to do something. Therefore, on behalf of the rail shippers of Oregon, I am making this speech, and I shall present in it the views of some of the lumber operators and shippers in my State who have discussed the problem with me. It is a problem, seemingly, of endless freight-car shortages in our State, but I am satisfied it is subject to solution if Congress has the will and the determination to take the legislative and investigational steps which are necessary to bring about its solution.

The subject is not new to Oregon. Businessmen who are engaged in shipping by rail tell me that the problem of freight-car shortages, particularly in the lumber industry, has reached the half-century mark. This is an interesting milestone, but is one that should be removed promptly. In my opinion the Senate Committee on Interstate and Foreign Commerce under the able leadership of its chairman, the senior Senator from Washington [Mr. MAGNUSON], is performing a fine public service in its efforts to put an end to the nonstop endurance contest of freight-car shortages. I might add that this contest is one in which the railroads do the promoting and collect the gate receipts, the shippers engage in exhausting efforts, and the public, as spectators, finds little amusement.

For many years past I have worked with Government officials and with colleagues in the Senate to bring relief from these periodic shortages. Others have joined in this effort, but the problem has not been solved to a substantial degree. However, some progress has been made in that we have determined the root cause of the problem, namely, the lack of initiative and foresight on the part of American railroads in meeting shippers' needs and a failure on the part of the Interstate Commerce Commission to carry out its full duties and obligations under the law.

AMERICAN RAILROADS NEED AWAKENING

The sad fact is that the number of freight cars owned by our railroads is steadily decreasing.

This comes as a surprise to most persons, when they are first asked to look into the matter. Most persons who have not studied the facts, if they were asked the question, "Do you think the number of boxcars in the United States is increasing?" would say, "Yes, I think so." Why? Because they read newspaper items from time to time about the production of new boxcars. But the fact is that the number of boxcars in the tracks of America has not been increasing; it has been decreasing. Why? Because of some very selffish motivations within the railroad industry.

From recent figures compiled by the Association of American Railroads, I note that freight car ownership by the class I railroads decreased from 1,729,939 on March 1, 1955, to 1,696,259 on March 1, 1956. This trend has been in effect since the beginning of 1926 when the railroads owned a total of 2,347,275 freight cars. Of course, the freight car of today has greater capacity to move traffic than the car of years ago, but the railroads appear to have made little real effort to meet the expanding needs of the shippers. I have a strong suspicion, Mr. President, that the railroads are concentrating so intensively on the profit dollar that they fail to comprehend fully the car service needs of business and industry. Apparently, general freight rate increases, not more freight cars or better service to shippers, seem to appeal to the railroads as a means of bettering their situation. I doubt that any other form of business takes such an attitude. It is small wonder, therefore, that the railroads' proportion of the total intercity traffic is steadily decreasing. In 1939 the railroads carried 62.34 percent of such traffic—in 1954 only 49.5 percent. We can predict an even smaller proportion of traffic for the railroads in the future unless they change their attitude.

The foregoing facts become most disturbing when we recall that during recent years the class I railroads of this country have not suffered from financial malnutrition. Figures made available to me by the ICC reveal extremely favorable net railway operating income averaging about a billion dollars per year for American class I railways for the years 1950 to 1954, inclusive. This figure increased during 1955, when the class I railways earned $1,128,000,000 in net railway operating income.

Contrast the foregoing profit figures with those relating to capital expenditures for equipment. During the period of 1951 to 1954 inclusive, there was a steady and marked decline in capital expenditures for equipment on class I railroads. In 1951 equipment outlays were slightly over $1 billion. In 1954 they dropped to approximately one-half of that amount—$499 million.

The figures for new freight cars put into operation and freight cars retired on class I railroads between 1951 and 1955 inclusive, are also very revealing. They show a decided adverse trend insofar as interests of shippers are concerned.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a table showing the total number of freight cars installed and retired on class I railways, 1951–1955, inclusive.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total freight cars installed and retired, class I railways, 1951–55, inclusive

	Total freight cars installed	Total freight cars retired
1951	87,727	53,028
1952	67,420	62,240
1953	69,394	50,123
1954	30,562	71,858
1955	37,509	73,491
January-February 1956	9,276	7,362
Total	301,888	318,102

Mr. MORSE. Mr. President, the figures in this table are sufficiently discouraging in themselves, but they become appalling when we reflect that during the same period of 1951 to 1955, inclusive, the class I railroads had the benefit of rapid tax amortization on their freight-car program.

I digress to point out what the accelerated tax amortization program really is. It is an interest-free loan supplied the beneficiary by the taxpayers of America out of the Treasury of the United States. That is what it amounts to. What the seekers after accelerated tax amortization like to gloss over in their representations about it to the public is the little matter of interest. They simply think the average layman does not pay very much attention to the little item of interest. But we are dealing here with construction projects which involve many millions of dollars. A little difference in interest over the period of amortization amounts to many millions of dollars of savings to the beneficiary of this kind of giveaway.

I do not want to be misunderstood about this matter. I voted for the tax-amortization program for the building of boxcars, because I made a study of the situation at the time. For example, I, myself, went to Altoona, Pa., which is one of the centers of boxcar construction

in the United States. I went there at the invitation of a civic group, which wanted me to see a distressed employment area, an area where thousands of people were out of work. In Altoona, I talked with small-business men, who pointed out that they were carrying on their cuffs, figuratively speaking, credit to the extent of thousands and thousands of dollars to relieve the economic needs of the consumers of Altoona, Pa., hoping that the sunny day would come when men would again pick up their dinner pails in the morning and go to work for a full day's employment.

I came back here to the Senate. I recall distinctly pointing out to the Senate the disastrous situation that existed not only in Altoona, Pa., but in a good many other places where there were pockets of great unemployment. So we voted for an accelerated tax-amortization program for the railroads of the country for the building of new boxcars. We had in mind the purpose not only of helping the unemployment problem at the time, but we also had in mind doing something about the annual boxcar shortage.

What did the railroads do? They built new cars, but they took off the tracks more cars than they built, cars which, I am satisfied the record will show, could be kept on the tracks with a little outlay of money for repair. What they have been doing is using a tax-free loan from the taxpayers of the country to improve their rolling stock, to get new cars at a low cost resulting therefrom, and they are junking some of their older, but still usable, cars. That means, in the long run, more profit dollars for the railroads.

Get it out of your head, Mr. President, if you think a boxcar shortage means economic trouble for the railroads. To use a figure of speech, it creates a "gravy train," and places it into the hands of the railroads, by the law of scarcity.

I said in committee this morning, and I am willing to say it on the floor of the Senate, that not only did I vote for the accelerated tax amortization program for the railroads, but I am willing to vote for another one, because the purpose of an accelerated tax amortization program is to meet an emergency need. Show me the emergency need, show me that in order to meet that need and to serve the public interest there is a need for an accelerated tax-amortization program, and I will vote for it.

My bill of complaint is not that we voted for an accelerated tax-amortization program for the railroads for boxcar construction, but that the Interstate Commerce Commission did not do a better job in carrying out its policing functions to stop the railroads from junking usable cars. Do not think the railroads would not listen to the Commission. The trouble is that the Interstate Commerce Commission is in the habit of listening too much to the railroads, rather than making the railroads listen to the Interstate Commerce Commission. If we could get the Commission to change in its attitude about that, we would have part of the answer to the annual boxcar shortage.

I said in committee this morning that I not only would vote for an accelerated tax-amortization program for the building of boxcars to increase the total number of boxcars on the tracks, but, as I said laughingly there, I would even run the risk of being called a creeping Socialist by saying that my devotion to the American free-enterprise system and my devotion to protecting the competitive free-enterprise system in America is such that I would have the Government come to the assistance of the small-business men and the shippers of the country if the railroads could show on the record—I do not think they could, but if they could—that it would be economically unjust to require them to keep on hand a surplus of boxcars to meet the boxcar shortage part of the year. I would go so far as to say I would have the Government participate in some form of subsidy to build their cars in order to stem them over the period of car shortage and have them available for the free-enterprise system of America, represented by the small-business men and the shippers of America.

In my opinion that is what the Government ought to do for the people, and I do not look upon it as at all socialistic, although I know my detractors will say, "Why MORSE proposes that the Government build boxcars." What I am proposing is that if we are to have the boxcars to meet the needs of the free-enterprise system, and the railroads will not build them, then it becomes the duty of the Government to come to the assistance of small-business men when they cannot get assistance any other way. There is nothing socialistic about that. That is carrying out the spirit of what Lincoln pleaded for, that it is the duty of the Government to do for the people what they cannot do for themselves, but what needs to be done for the general welfare of the people.

Mr. President, this situation is serious, not only in my own State, but as one travels in the grain States of the Middle West he is confronted with great losses each year as a result of the boxcar shortage. We have a national problem. The time has come when we ought to do something about the national problem, and this happens to be the national legislative body to do it.

Therefore, I shall continue to urge that we follow a sound policy, so far as our economy is concerned, and stop this penny-wise pound-foolish policy that has characterized our failure up to date to enact legislation which will help meet the boxcar shortage, and to issue instructions and, if necessary, orders to the Interstate Commerce Commission—by legislation if necessary—to require it to do a better job than it has been doing in this matter.

Mr. President, based upon information supplied by the Interstate Commerce Commission, we find that a total valuation of $2,320,908,334 in freight-car construction was under 85-percent accelerated tax amortization between 1951 and 1955, inclusive.

I ask unanimous consent to have the table of figures printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year:	*Freight car valuation under amortization*
Available from 1950 to be carried forward	$33,862,000
1951	636,520,800
1952	843,320,231
1953	428,428,484
1954	143,098,485
1955	235,678,334
Total	2,320,908,334

Mr. MORSE. Mr. President, thus, the amortizable amount was $1,731,600,890, constituting, in effect, a tax-free loan from the Government. There is a serious doubt as to whether this rapid tax writeoff program should apply where it fails to produce an overall increase in the number of boxcars on American railroads.

I wish to stress that point. I am for the tax amortization program. I think the amortizable program is sound to meet an emergency need if—and I underscore the word "if"—by its use the railroads increase the total number of boxcars. That is the test. Now, if they are going to try to continue to play the game they have played up to now, of coming in and testifying about the great need for new boxcars, and then proceeding to take off the tracks usable cars which, with a little repair work could be kept in operation from 2 to 5 years—and that is what some of the experts have told me about this junking game of the railroads—then they ought to pay the full tax, and we ought to seek some other remedy for aiding farmers, shippers, and small-business men who need boxcars.

A mystery that practically defies the imagination is why the railroads, with this enormous rapid tax writeoff bonus, did not initiate a truly forward-looking car construction program. Their record of heel dragging is inexcusable.

The railroads have been described as the lifeline of our economy, particularly in times of emergency. Their importance to our whole economy and to national defense is tremendous. That is why I am deeply concerned over current indications that this vital industry is failing to keep pace with the transportation demands of the Nation.

RAILROAD FREIGHT CAR USE PRACTICES ADD TO THE CAR SHORTAGES IN THE WEST

The economic activities of the West, as compared with those of the heavily industrialized East, set the stage for boxcar shortages in the West.

The principal economic activities in the West, and those in the South, as well, are the production of bulky heavy-loading commodities, such as lumber, minerals, and grain. These by necessity must move in large volume to the areas of greatest consumption in eastern portion of the United States, where the bulk of the population and most of the Nation's industry are located. Obviously, in the West and in the South more carloads of freight are originated than terminated. The opposite is true in the East.

Thus, the preponderance of freight movement is eastbound, requiring movements of empty cars West and South.

Prompt return of these cars is highly important to the economic well-being of these areas. Once these cars are unloaded in the East, it seems that there is a tendency for the eastern railroads to avail themselves of the use of these cars for their own traffic, rather than to load them promptly with freight destined to the South and West, or to return them empty. Expressed in a word that often has been used in another connection, the Interstate Commerce Commission should be given authority to unleash freight cars, when necessary to relieve car shortages.

Failure to return freight cars promptly accentuates the car shortage in Oregon in the period each year when economic activity is at its height. The shortage is aggravated even more in the areas where a single railroad holds a monopoly, and knows that shippers must wait until the carriers choose to furnish boxcars.

The committee bill, S. 2770, is designed to correct this practice of the eastern railroads of delaying the return of freight cars to the West. The bill would grant to the Interstate Commerce Commission increased authority to deal with freight-car shortages. I favor the giving of such authority to the Interstate Commerce Commission; so I favor the passage of this bill, as it is now written, or with reasonable changes calculated to give the Commission authority to establish penalty per diem rates to promote "expeditious movement, distribution, interchange or return of freight cars," the additional charges to be paid to the owners by the carrier using such cars.

"Return of freight cars" is a phrase used in the bill that is of great practical importance to the State of Oregon and the rest of the Pacific Northwest. It is failure to return the cars owned by the railroads in the Northwest that accentuates the shortages of freight cars that occur periodically. The enactment of this proposed legislation is of the greatest importance to the areas where a monopoly of rail service exists. Some of those areas lie in Oregon.

RAILROAD-CAR SERVICE MONOPOLY—A GUARANTY OF FREIGHT-CAR SHORTAGES

During the past summer and fall, as I have said, I traveled extensively in Oregon; and I can assure the committee that the subject of freight-car shortages was raised by scores of Oregon businessmen, especially those engaged in the lumber and plywood industries in the area south of Albany, Oreg., and west to the Pacific Ocean. Again and again these people, who have had firsthand experience, insisted that the Southern Pacific Railroad is discriminating against the State of Oregon in the distribution of freight cars, and that it has been favoring California shippers of lumber, to the disadvantage of Oregon shippers. They further contended that the freight-car shortage is most acute in the areas of the State where the Southern Pacific is the sole source of rail-freight transportation. In other words, they asserted that where competition exists among rail-freight carriers in Oregon, Washington, and California, boxcars are available in ample quantities for the lumber industry. But, where the Southern Pacific Co. enjoys a monopoly—as it does in so many Oregon communities—almost invariably lumber shippers can be sure of one thing: an insufficient quantity of boxcars.

Several months ago I talked to a group of about 15 lumbermen in Grants Pass, Oreg. They stated that the Southern Pacific Railroad apparently regards Grants Pass as a forgotten area. These businessmen said that for weeks they had been getting from 25 to 50 percent of the boxcars actually needed, and that this resulted in mill operations that often totaled less than 50 percent of capacity. They charged that the Interstate Commerce Commission failed to police properly a critical shortage of boxcars where a rail-freight carrier operates as a monopoly.

Mr. President, what does that situation mean? It means unemployment and men laid off from work, and it means that families are losing paychecks. So when we consider the boxcar problem, we are not dealing only with boxcars; we are also dealing with the problems which the shortage of boxcars creates throughout the entire economic life of the area in which that shortage is experienced. In other words, in that case we are dealing with the economic interests of men, women, and children who are dependent for their standard of living upon an ample supply of boxcars.

So I wish to say to the members of the Interstate Commerce Commission that in taking this position in regard to some of their attitudes on the boxcar shortage, I am making a fight for the economic interests of the men, women, and children of my State who have suffered inexcusably and unjustifiably because of the failure of the Interstate Commerce Commission in the past to do a more efficient and more effective job in regard to this problem.

Mr. President, this problem has ceased to be "seasonal in nature." The unfortunate boxcar shortage in western Oregon appears to have become an institution; but it is one that cannot and should not be tolerated longer.

The lumber market is one that is subject to rapid fluctuations. Readily available and adequate rail transportation is absolutely essential to obtaining the benefits of a favorable market. Both large and small producers of lumber and lumber products in Oregon suffer substantial economic losses while they wait for their share of boxcars at the sufferance of the rail carrier. If the Southern Pacific is in fact discriminating against Oregon in the distribution of freight cars, that is a practice that cannot be endured much longer by Oregon lumber producers in the category of small business.

I urge the committee to explore ways and means of getting freight cars for use at the height of the season in this rail-monopoly area of my State. Favorable action on Senate bill 2770 will help, but additional remedies are essential. One of these, I respectfully submit, is the addition of highly essential car service agents to the staff of the Interstate Commerce Commission. The committee can perform an important public service by making recommendations on this score.

CREEPING PARALYSIS IN THE ICC—THE REDUCTION IN CAR SERVICE PERSONNEL

The Interstate Commerce Act gives the Interstate Commerce Commission powers under which to assure adequate service on the part of our American railroads to the public. For example, we find these provisions:

11. It shall be the duty of every carrier by railroad subject to this part to furnish safe and adequate car service and to establish, observe, and enforce just and reasonable rules, regulations, and practices with respect to car service. * * *

14. The Commission may, after hearing, on a complaint or upon its own initiative without complaint, establish reasonable rules, regulations, and practices with respect to car service by common carriers by railroad subject to this part * * * and the penalties or other sanctions for nonobservance of such rules, regulations, or practices.

15. Whenever the Commission is of opinion that shortage of equipment, congestion of traffic, or other emergency requiring immediate action exists in any section of the country, the Commission shall have, and it is hereby given, authority, either upon complaint, or upon its own initiative without complaint, at once, if it so orders, without answer or other formal pleading by the interested carrier or carriers, and with or without notice, hearing, or the making or filing of a report, according as the Commission may determine: (a) to suspend the operation of any or all rules, regulations, or practices then established with respect to car service for such time as may be determined by the Commission; (b) to make such just and reasonable direction with respect to car service with regard to the ownership as between carriers of locomotives, cars, and other vehicles, during such emergency as in its opinion will best promote the service in the interest of the public and the commerce of the people, upon such terms of compensation as between the carriers as they may agree upon, or, in the event of their disagreement, as the Commission may after subsequent hearing find to be just and reasonable; (c) to require such joint or common use of terminals, including main-line track or tracks for a reasonable distance outside of such terminals, as in its opinion will best meet the emergency and serve the public interest, and upon such terms as between the carriers as they may agree upon, or, in the event of their disagreement, as the Commission may after subsequent hearing find to be just and reasonable. * * *

16. Whenever the Commission is of opinion that any carrier by railroad subject to this part is for any reason unable to transport the traffic offered it so as properly to serve the public, it may, upon the same procedure as provided in paragraph (15), make such just and reasonable directions with respect to the handling, routing, and movement of traffic of such carrier and its distribution over other lines of roads, as in the opinion of the Commission will best promote the service in the interest of the public.

Mr. President, a law which is not efficiently administered and effectively enforced is practically worthless, so far as end results are concerned. The record shows quite clearly that, in recent years, a creeping paralysis has reduced the Interstate Commerce Commission's enforcement staff in the field from over 100 agents to 30, as of now.

Just yesterday I learned the almost unbelievable fact that in the Interstate Commerce Commission Zone No. 25, we now have only three car-service agents—one each in Spokane, Portland, and San

Francisco. Believe it or not, Mr. President, these men have not one secretary to assist them in their clerical duties. It is little wonder that we have an almost insurmountable problem of policing the boxcar situation in the Pacific Northwest.

Mr. President, let us consider this inefficiency on the part of the Interstate Commerce Commission and let us see what it means when translated into action or lack of action in regard to the boxcar shortage problem. There sits in Portland, Oreg., the Commission's so-called boxcar policing agent; and he has to finger out on his own typewriter his redtape reports—and they are many—with the result that he has little time to go into the field and do the policing job which should be done. The Interstate Commerce Commission does not even supply that agent with a secretary. I say good naturedly that I could walk down to the Interstate Commerce Commission this afternoon and take out at least a dozen secretaries, and I would not by one iota lessen the efficiency of the Interstate Commerce Commission at the Washington level; and I could transfer them to the field and thus could give these boxcar policing agents the assistants they need in order to do the work and to compile the reports and to take the action required in order to help alleviate the boxcar shortage.

I know something about the oversupply of personnel which develops in Washington departments. I am not moved to tears by the Interstate Commerce Commission, with its personnel argument, until it can first show me that it is doing a more efficient job in using the personnel it has, so far as secretarial help is concerned. What we do need, and what the railroads do not want, are some more boxcar policemen. The Car Service Agency of the Interstate Commerce Commission needs to have its personnel increased. I am about to recommend that it be increased at least to 60 for this year.

If the rules and regulations of the Interstate Commerce Commission were effectively enforced, I am satisfied that our car-shortage problem would diminish. Such enforcement, of course, is not possible in the absence of a proper enforcement staff in the field and the employment of such a staff is, of course, a Federal budgetary matter.

I believe that, at the earliest possible moment, we should bring the ICC car service agent back to a minimum of 100. I am pleased to note that the House recommended an increase from 30 to 40 a few days ago. I suggest that the number be raised by the Senate to 60 this year, with the ultimate target of 100 to restore efficiency in the field of enforcement.

I have looked into this subject, and I find that that is about the last thing the railroads would like to have us do. The railroads are not eager to have the Car Service Department of the Interstate Commerce Commission in the field enlarged by more personnel, because they know that if there were more personnel in the field, some of the wrongdoing of the railroads would be more easily brought to light. But if we wish to do something constructive in the direction of helping to alleviate the boxcar shortage problem, we must come to grips with the problem of supplying the Interstate Commerce Commission with the field agents it needs to enforce the regulations of the Commission. I sincerely hope that if the members of this committee agree with my conclusions in this respect, they will join me in urging the Senate Appropriations Committee to provide the necessary funds this year. I intend to appear before the Appropriations Committee of the Senate and make my plea for such funds. An increase of car service agents from 40 to 60 would call for an addition of approximately $200,000 for the Interstate Commerce Commission. In my judgment it would save many millions of dollars in the economy which are now lost because of the failure to supply an adequate number of boxcars.

The importance of the public service these men can perform would make this a bargain-rate appropriation.

CAR SERVICE ORDER NO. 910

On March 19, 1956, Division 3 of the Interstate Commerce Commission issued car service order No. 910.

Almost immediateley, my office received comments from Oregon lumber shippers. The great majority of communications I received contend that order 910, if put into effect, will completely disrupt normal marketing procedures to the disadvantage of the small mills in Oregon and will play into the hands of the large operators. Other communications, fewer in number, insist that this order will help resolve the box car shortage. Those who have protested on this order assert that they have not been heard on the subject and they ask that the April 9, 1956 effective date of the service order No. 910 be postponed by the Commission pending a hearing.

This morning, before the Committee on Interstate and Foreign Commerce, I made this plea in behalf of the shippers of my State who desire a postponement of the application of this order. I sincerely hope that the committee and the Interstate Commerce Commission may heed that plea. These businessmen, who are our fellow citizens, are entitled to a hearing on the effects of the order before it is put into effect on April 9. We ought to listen to some of their testimony as to what this order would do to the small mills in my State.

As I pointed out to the committee this morning, it would create, according to their testimony, great economic hardship, and inexcusable injustice. I do not think we should stand idly by and let a child of the Congress, namely, the Interstate Commerce Commission, engage in such delinquent acts.

In the past day or two, I have talked to many Oregon lumbermen and I am satisfied that they make a strong prima facie case for postponement of the effective date of the order in order to afford all interested parties a hearing on the merits.

The problem is so serious and it has been presented to me in such convincing fashion that I feel it would be a mistake for the Commission to proceed with order No. 910 without having received the views of both sides. Therefore, I urge this committee to communicate immediately with the Commission asking for a postponement of the April 9 effective date of the order in question.

Therefore I am urging the Commission and the Committee on Interstate and Foreign Commerce to provide for a suspension of this order, or a postponement beyond April 9, so that hearings on the order can be held. I would prefer hearings in the field.

A group of small lumber operators in my State traveled to Washington, a distance of more than 3,000 miles, to testify before the committee today. They did not come for nothing. It is an expensive trip. I think the Federal Government owes it to the objectors to order No. 910 to have some early field hearings, out in the parts of the country where the devastating effects alleged by the mill operators would take place.

BOXCARS SHOULD NOT BECOME MOBILE GRAIN ELEVATORS

Many people with whom I have conferred on the car shortage contend that Commodity Credit Corporation shipments of grain during the period of high demand for boxcars intensify the problem. For example, I am told that the inadequacy of permanent storage facilities in the Grain Belt has, in effect, caused large sums of freight cars to become mobile grain elevators. This, in turn, has caused delay in the transfer of such boxcars to other parts of the country, including the Pacific Northwest. The complex problems of the freight-car shortage have been heightened by the fact that the demands for grain and lumber shipping space too often coincide. It is quite likely that the Government can establish periods of grain movement which do not conflict with the periods at which lumber shipments are the heaviest.

As I stated before the committee this morning, I have received information which I think is reliable—but I am having it checked with the Commodity Credit Corporation—to the effect that under the rules and regulations of the Commodity Credit Corporation they prohibit the shipment of grain in trucks in some instances. It has been reported to me that trucks will leave the west coast, for example, loaded with goods for St. Paul, Minneapolis, Chicago, Detroit, or other midwestern or eastern cities, and return, at least part of the way, empty. Frequently they pass Commodity Credit Corporation elevators and storage bins where they could stop and pick up a load of grain and take it to the shipping center by truck. However, the Commodity Credit Corporation allegedly has a rule which prohibits shipment of the grain in trucks, and requires that the grain be shipped in freight cars.

That is unsound economically. It is an injustice to our farmers, and it is an injustice to our shippers, who need the boxcars. Whenever the commodities can be shipped by other conveyances, I do not think we should have any Federal regulation by any agency of the Government which prevents shipment by truck.

Insofar as the demand for grain shipping space amplifies the shortage of rail transportation for lumber, an indirect

solution might be worked out through an accelerated Federal program of increasing grain storage facilities coupled with a more realistic plan for disposal of our surplus grain to hungry people in friendly foreign nations.

It seems to me that the committee could explore to the advantage of the public, shippers, and the railroads themselves, some of the following suggestions relative to car shortages:

First. Increase demurrage charges to discourage delay in car movements.

Second. Reduce to a minimum empty cars held for loading.

Third. Place embargoes against consignees who accumulate cars.

Fourth. Repair defective cars promptly.

Fifth. Load cars promptly and as heavily as possible.

Sixth. Increase the supply of new cars.

Speaking of loading the cars as heavily as possible, the lumbermen with whom I conferred at breakfast this morning tell me that under the so-called transit-sale system they are able to get into the cars about 20 percent more lumber than is loaded in the cars when there is a so-called firm sale in advance of shipment.

They also point out on this subject that it is not true, as the representatives of the Interstate Commerce Commission are so prone to say, that the transit-sale program results in undue delays in the delivery of cars. They say that at the height of the boxcar shortage period—and, of course, that is the period that concerns us—the average time for the transportation by way of a so-called transit sale is 3.9 days. However, if we follow order No. 910, what will happen is that the shippers will take the longest route around. In this instance, they say some of our Oregon shippers will use the Southern Pacific and take the lumber down through California and on around to Houston and then up into the Middle West. That plays right into the hands of the Southern Pacific Railroad and gives them an advantage which in my opinion they are not entitled to have.

I pressed that point this morning in committee, and it is a point that I shall continue to investigate and to press forward on in connection with the boxcar shortage program.

In conclusion, I suggest that the Government has perhaps relaxed its vigilance of former years in the field of railroad transportation. The time appears to be opportune for closer analysis of the whole subject of rail transportation. Our economy is becoming too complex to permit extended delay in this respect. There is much to be gained by a determination as to whether existing freight handling practices of the American railroads is efficient, economic, and in the interest of the American public. The Senate Committee on Interstate and Foreign Commerce can do immeasurable good in calling to the attention of Government agencies and the public, the adverse economic effects of the constantly recurring freight-car shortages and in suggesting affirmative action on the part of the carriers and the Federal Government in correcting this condition.

Mr. President, I hold in my hand a very interesting document. It is a hard one to get. It is scarcer than hen's teeth. It contains some very interesting information which apparently some people do not want to have subjected to very wide circulation. It will get some very wide circulation now. It is Report No. 30708 of the Interstate Commerce Commission in "Shippers Car Supply Committee against Southern Pacific Co." It is an examiner's report. It is an exceedingly interesting report.

Because I shall refer to it from time to time as we press forward on the boxcar shortage problem in the weeks ahead, I ask unanimous consent to have the examiner's report printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

INTERSTATE COMMERCE COMMISSION, No. 30708, SHIPPERS CAR SUPPLY COMMITTEE[1] VERSUS SOUTHERN PACIFIC CO.

Defendant not shown to have engaged in unreasonable or otherwise unlawful practices that could be remedied by retroactive order, in furnishing or not furnishing cars to complainant and intervener in western Oregon. Complaint and intervening petition dismissed.

William P. Ellis and Dean Ellis for complainant and interveners.

James E. Lyons, Charles W. Burkett, Jr., James C. Dezendorf, and Stanfield B. Johnson for defendant.

Report proposed by O. L. Mohundro, examiner.

By complaint filed November 6, 1950, complainant charges the following specific violations of law:

1. Failure to provide transportation of property upon reasonable request, particularly in failing to provide adequate trackage, motive power, and other facilities and equipment to meet the demands of the shipping public, in violation of section 1 (4) of the Interstate Commerce Act, as amended.

2. Failure to furnish adequate car service, particularly (a) in failing and neglecting to purchase or construct a supply of cars adequate for the needs of its shippers; (b) failing to effect suitable arrangements with connecting carriers for interchange of empty and loaded cars; and (c) failing to employ an adequate staff of competent employees to promptly, efficiently, and fairly distribute the supply of cars available, in violation of section 1 (11) of the act.

3. Causing undue and unreasonable prejudice and disadvantage to camplainant's members by failure to provide car service to them in the same proportion to actual requirements as were provided to other shippers on its lines in Oregon and elsewhere, contrary to section 3 (1) of the act.

4. Causing undue and unreasonable prejudice and disadvantage to shippers generally on its lines in Oregon and giving undue and unreasonable preference and advantage to other shippers on its lines in other States, in violation of section 3 (1) of the act.

5. Causing substantial increases in transportation and marketing costs, substantial losses in labor, production, and profits of complainant's members and others by curtailing their production by preventing them from making deliveries on contracts and from selling their products in the open market, which has resulted in damage and loss of goodwill for which defendant is liable.

[1] Complainant is a nonprofit corporation of Oregon dedicated to the purpose of improving the freight car supply and the quality of railroad service, especially in western Oregon.

Complainant seeks an order commanding the defendant to cease and desist from the unlawful acts alleged and requiring it to provide complainant's members and other shippers on defendant's lines in western Oregon with adequate and nondiscriminatory service and facilities; also that defendant be required to pay to complainant's members such damages as may be claimed and established by them, with reasonable counsel fees.

The Commissioner of Public Utilities of Oregon, at the time of hearing, Hon. Geo. H. Flagg, later Hon. Chas. H. Heltzel, intervened generally in support of complainant and joined with complainant in the making of the record herein.

A. L. MacInnis and Cosima D. MacInnis, doing business as Wren Planing Mill, members of complainant, Shippers Car Supply Committee, intervened in support of complainant and in addition to the prayer for general relief, seek an award of damages.

Defendant answered, challenging the sufficiency of the complaint and alleging that there is a defect of parties defendant in that connecting lines are necessary parties with respect to the matters alleged, particularly paragraphs IV and V thereof. Defendant denies the alleged violations of the act; and, as an affirmative defense, alleges that during the years 1947 to 1950, inclusive, unavoidable freight car shortages existed on its lines during the peak of the fall shipping seasons; that similar shortages existed contemporaneously on the lines of other railroads throughout the United States, and that such shortages resulted from a number of causes, specifically set forth of record, for none of which defendant can be held accountable.

The answer further alleges that defendant has done, is doing, and in the future will continue to do all practical things within its power, circumscribed only by financial limitations, availability of materials, and production capacity of car and equipment builders throughout the country, to acquire and maintain a reasonably adequate car supply, including locomotives to move them, and to maintain a railroad system reasonably adequate to meet the needs of the public defendant serves.

Concurrently with the filing of its answer defendant made a motion to dismiss the complaint and, alternatively, to make the same more definite and certain. This motion was denied on February 8, 1951, but without prejudice to defendant requesting, at the close of complainant's testimony, a further hearing for introduction of defendant's evidence respecting those allegations of the complaint which defendant claims are indefinite and uncertain. Such further hearing was held, and the record is ably briefed on all major issues.

The chairman of complainant, Shippers Car Supply Committee, has been engaged in the wholesale lumber business as the Trio Lumber Co. at Eugene, Oreg., for more than 25 years. He owns an interest in the Douglas Manufacturing Co., a sawmill and remanufacturing plant near Roseburg, Oreg., with an output of 90,000 feet per day, and Ada Co., out of Ada, Oreg., cutting 25,000 to 30,000 feet per day. The market for his lumber and that of other shippers who testified of record is practically throughout the United States. The practice of billing is not uniform. Sometimes the company is shown as the shipper, sometimes the mill, and in some instances the purchaser of the lumber is named as the shipper. The inability to obtain cars when desired caused the chairman of the complainant committee in 1946 to investigate the causes for lack of cars for Oregon lumber shippers. He contacted the western representative for the AAR in Seattle, Wash.

He described the situation, stressing the local conditions, lack of carrier competition, etc., but without results. Thereafter, following the car shortage of 1947, he and two

other firms, by letters, requested an investigation by the Interstate Commerce Commission of the lack of car service to western Oregon lumber shippers, "but he didn't get anywhere with that." In 1948, he was appointed chairman of a traffic committee for the Western Forest Industries Association. The purpose of the association was to make an investigation among shippers with a view to remedying the situation caused by the car shortage. During the investigation, it was determined that an organization devoted solely to investigating the car supply should be formed. The complainant committee, an Oregon corporation, nonprofit in character, controlled by a board of directors elected from the membership was created for the purpose.

In his business the car shortage at Eugene was serious during the summer months of 1946 and for subsequent summer seasons, including 1950 and some of 1951. During the summer, or demand months, he could not tell a customer when a shipment would be made because of the lack of cars. This condition affected western Oregon lumber shippers, particularly those located on the lines of defendant, to such an extent that they lost the so-called premium business—premium price for quick shipments. The inability to get cars when needed caused the mills to take orders for short periods instead of a normal 30-day order supply. The car shortage of 1946 and 1947 caused purchasers to operate somewhat in the same manner. This eventually led to the practice of so-called transit sales. Though not satisfactory either to the producer or the buyer of the lumber, 50 percent or more of the volume shipped from western Oregon was forced into this practice because of inability to arrange for shipment of a car when needed.

In 1950 the chairman of the committee went into Washington to get cars to stop off for complete loading in Oregon. That caused extra expense and delay. Shippers could get cars from railroads in Washington, put a small amount of lumber therein, and route them through Oregon to complete loading. The routing of such cars generally was "UP–SP–UP." For a time no definite amount of lumber had to be loaded to get the car. Later 25 percent of car minimum was required. That requirement was hard to meet because of the difficulty and cost of obtaining the quantity and quality of lumber desired. This caused wasteful use of cars and did not prove a real help. Experience thus gained caused the witness to think that the cars should have been given to defendant at Portland. In some instances lumber was hauled by truck as much as 200 miles from valley points (local to defendant) to Portland for partial loading, and some cars were fully loaded from the trucks in Portland.

The failure to get cars when needed caused many mills to "shut down" during the summer months of 1946–50, inclusive. The situation was particularly bad in 1949 and 1950. When the lumber could not be shipped as produced, storage soon became so expensive that shutdown was made necessary. Shipping members of complainant at Grants Pass, Oreg. (local to defendant), experienced severe car shortage during 1947–50, inclusive, "but not too bad in 1951." Costly shutdowns in 1949 and 1950 were forced by lack of cars. A member of complainant committee operating a custom milling business and manufacturing molding plant at Grants Pass had a capacity of eight cars per day. During the car shortage periods of 1949–50, that member received as low as 1 or 2 cars per day. He had storage for some 5 million feet of lumber, but when that much lumber accrued, the plant had to stop work, thus causing a shutdown of all supplying mills. Handling and storing large quantities of lumber was inconvenient and expensive. The cost of such operations could not be added to the price of the lumber or millwork. Shippers generally, and particularly those at Grants Pass, complained of poor service, such as switching, time changes of switching, and the manner of handling orders for cars.

Some 15 other witnesses representing lumber shippers who operated from 1 to 5 mills and who produced large quantities of lumber for shipment by rail, and most of whom were dependent for cars upon defendant, testified along the same lines and to the same effect.

Witnesses for feed and seed dealers of Oregon located on defendant's lines at Cornelius, Gladstone, North Plains, and Roy described as serious to them the car shortages of 1946 and 1947. Their greatest losses caused by lack of cars were during the summer months of those years. Some of their plants are located also on the "SP&S," and some of the lines of both the defendant and the Oregon Electric. At most times they were able to get cars as needed at the competitive points. For example, in 1947 they shipped 57 cars from North Plains, a competitive point, and only 10 cars from Roy, local to defendant. They reduced the bad effects of the 1950 car shortage by trucking their grain to Portland. The 1951 crop was said to be about 10 percent of usual volume, so there was little for shipment that year.

Witnesses for the lumber interests of Grants Pass were recalled at the adjourned hearing to testify as to conditions existing during the summer months of 1952. Operations of the Engler-Hudson Co., located some four city blocks distant from defendant's station, were described. The company operated two shifts daily and produced some 250,000 feet per day. The capacity of the plant was rated as 8 cars per day. On 6 of the first 10 business days of July, orders were not filled, though presumably there was no car shortage elsewhere on the line at that time. On July 11, six cars were furnished. A shortage of cars was experienced every other working day in July (1952), except two. Record for the month was 113 cars ordered, 82 furnished, a shortage of 31. The situation shown for August was not so good. On seven working days, the company received no cars, but had orders for an average of 8 cars for each day. The record for August was 184 cars ordered, 83 furnished, a shortage of 101. During the period September 1 to 19 (1952), 72 cars were ordered, 56 furnished, shortage 17.

The switching service at Grants Pass continued bad as shown by the following (RECORD, pp. 739–740):

"Question (by Mr. Lyons). Mr. Hedrick, what kind of an engine is it that switches your plant? Is it an assigned switch engine at Grants Pass, or is it a line haul engine that comes down from Medford?

"Answer. It's both. The one that goes to Glendale also. There's three. You never know which one you're going to get for sure. They have a diesel switch engine that apparently stays at Grants Pass most of the time, and that's the one that does the switching usually.

"However, here lately it's been whatever crew they could get to do it.

"Question. Well, have you taken up with the trainmaster or the superintendent the question of having the switches made at a convenient hour to your plant?

"Answer. Yes, we did. They came down—I don't recall who I talked to—one fellow we used to talk to, I believe, was named Barney—Ted Barney. I may be wrong about that, but I think that's his name—from Roseburg, and we got together with him on this night switch, which was very convenient for us if they'd do it. They wanted to switch us about 10:30 at night, but that fell through.

"Question. Well, I understood from your testimony that the switching has not been satisfactory as it might be, but it's only been in the last month or two that it's been particularly bad for your plant because the switching came at irregular hours and sometimes in the morning and sometimes at night; is that right?

"Answer. That's correct.

"Question. But have you in the last 30 days or so taken up with any superior officer of the Southern Pacific the question?

"Answer. Taken it up with our own local agent. I can't find out anymore who you do take it up with. I took it up with Mr. Criswell; I talked to Mr. Criswell just before he went on his vacation which I believe was Friday, and he told me that it really had him beat because he said it got to the point where he had no authority whatsoever.

"I talked to Mr. Nugent, who is taking Mr. Criswell's place; I talked with him Monday, and he says he's fighting a losing battle, too.

"Question. Well, may I suggest that the general manager is in the room, that you contact him, and he'll relay it down to the proper party?

"Answer. I called Mr. Leslie and spent 'oodles' of money on the telephone for the past 2 years, and haven't succeeded. So I quit spending that money."

Complainant employed a special representative with some 30 years' experience in traffic matters in the considered origin territory. His special attention was directed to car supply and transportation service in western Oregon since 1948. He visited practically all communities in that part of the State, attended many meetings looking to the improvement of the car supply. He worked closely with members of complainant committee and lumber shippers in western Oregon during the car shortage of 1950. During the months of car shortage on defendant's lines in 1950, he found no specific shortage of cars at Portland. Accompanied by lumber shippers he personally called on all carrier agents in the Portland switching area. Some of the agents are said to have admitted that at no time during the summer of 1950 had there been a shortage of cars at Portland. The agents at Portland would not furnish cars to lumber shippers on the lines of defendant in western Oregon. He found a large quantity of lumber during that summer being loaded from trucks into cars at Portland, and found that it had been trucked from points local to defendant's lines. Some of it had been trucked as far distant as Coos Bay. The record indicates that the cars were furnished by carriers other than defendant, though some were being loaded on trucks at Park Street and at East Portland on tracks operated by the "UP" and "SP."

To correct the situation, the witness suggested that the Oregon Electric Railway from Eugene to Portland, including branch lines, be used to capacity, or at least more than they had been in the past. Tariffs, according to this witness, should provide that lumber shippers located only on the lines of the defendant could order cars from the nearest agent of the Oregon Electric Railway, the cars to be handled in switching or line haul, but delivered back to the Oregon Electric by defendant. The lines of defendant and the Oregon Electric connect at Eugene, Albany, Lebanon, and Salem. As an example of how shippers would benefit, a shipper at Corvallis (10 or 12 miles from Albany) would order a car from the Oregon Electric agent at Albany. Oregon Electric would furnish the car for defendant to move to Corvallis where it would be loaded. The car would then be forwarded by defendant to the Oregon Electric at Albany for movement to Portland. (Tr. 393.) The witness expressed the belief that this would be better than the present practice because at present shippers on Southern Pacific have trouble over the period of years getting sufficient equipment, whereas the northern lines generally have equipment when sorely needed by shippers local to the lines of defendant. According to this witness there have been

car shortages on the Southern Pacific in western Oregon periodically for 30 years. During those periods if the relief suggested had been afforded by the Oregon Electric, the situation would have been corrected or materially improved.

An agent for the Union Pacific Railroad stated that the current practice of solicitation for freight on the lines of defendant at Oregon is through the Ogden gateway. Obviously, solicitation of defendant is for its long haul, and not for routing of Oregon shipments by way of the Portland gateway (Tr. 492 and 1126).

This proceeding, though a complaint case, was presented much in the nature of a general investigation proceeding. Considerable evidence of record was obtained by employees of the Commissioner of Public Utilities of Oregon. These employee witnesses cooperated with complainant and its counsel in making the record. The proceeding and its purpose is described in complaint's brief as follows:

"The situation is even more acute as concerns the supply of empty cars because, as stated by Mr. Hallawell (General Manager of defendant lines) 'the only available reservoir of empties that the Southern Pacific can get hold of is located in the Southwest,' making it necessary to 'haul empties 1,500 to 2,000 miles to take care of the needs of western Oregon.' (930) The utter dependence of western Oregon shippers upon this circuitous route of supply, as so forcefully demonstrated by the earthquake in Southern California last year, and the helpless, hopeless attitude indicated by Southern Pacific management, manifestly underlines the urgency of some alternative relief measures.

"The necessity of traversing a mountain range via either Southern Pacific route from western Oregon is a second geographical disadvantage, emphasized by the severity of grades and curvature and by the prohibitive cost of double tracking.

"The natural conflict of interest between the defendant and its shippers arises in part from the fact that its traffic, with Oregon excluded, is relatively well balanced. Loadings and unloadings in California are relatively equal, and it is not unnatural that Southern Pacific directors should desire to preserve western Oregon timber traffic for future generations of stockholders. There can be little doubt that this factor has, over a period of years, resulted in more favorable consideration toward improvements on other portions of the system, and neglect in providing for the construction of needed trackage and other facilities for the development of western Oregon tonnage, tonnage which will much better serve defendant's purposes if kept in the western Oregon storehouse for perhaps another hundred years. This is demonstrated by the testimony and exhibits of Mr. Andrus (assistant to president, defendant lines)."

Complainant stresses the fact that the trackage and other facilities of defendant are not adequate to meet the transportation needs of the area in western Oregon served only by its lines. It charges the management of defendant of failure to recognize the transition of the lumber industry as it has taken place. During the past 15 to 20 years, the transition from western Washington to western Oregon has been evident, and the tempo recently has increased. Exhibit 14 of the record shows that lumber shipments from Oregon originating on the lines of defendant have increased some 92,000 cars, 1950 over 1938, an increase of 65.92 percent. In 1925 Washington produced almost twice as much lumber as that produced in Oregon. Now the figures have been reversed. On brief it is stated:

"The growth of the lumber industry in western Oregon during the past 10 years has exceeded that of any previous period. Its growth has substantially exceeded other industrial growth in the Northwest, largely by virtue of the vast stand of mature timber. But in that same 10 years the defendant company has done nothing to assist in that development through improvement or extension of its facilities. At the close of 1951 it was operating 22 miles less trackage in Oregon than in the year 1940 (p. 6, Ex. 20)."

It is the opinion of the witnesses who have been connected with the lumber business in Oregon that production will continue to increase in volume for many more years; that the yard tracks at Eugene are sometimes jammed" (Tr. 60) at Roseburg short of adequate storage (Tr. 222 and 784), and Brooklyn yard facilities at Portland so taxed at times as to cause delays (Tr. 933) is practically conceded.

From this testimony complainant asserts that carrier facilities designed for conditions of 1930 do not meet the needs of the Oregon lumber industry of 1952.

It was not possible for the personnel of intervener, public utilities commissioner of Oregon, to survey traffic conditions on all lines of defendant in Oregon. Effort was concentrated on certain portions which seem to constitute bottlenecks. The Oakridge-Crescent Lake portion was characterized as the cork in the bottle—having in 1950 reached a point "where it saturates; you can't run any more."

Train sheets were checked for record of performance. The Oakridge-Crescent Lake section of defendant's lines in Oregon was regarded as the principal bottleneck. The investigation made by the witness was to ascertain the extent to which car supply was affected by operating conditions. Train sheets were checked at Eugene, Portland, and Albany. The testimony related principally to the operation of trains between Eugene and Crescent Lake and between Ashland, Oreg., and Black Butte, Calif. Operation over the mountains is considered an important factor materially affecting the ability of defendant to get empty cars into the valley and loaded cars out. The following description of this portion of track and somewhat of the conditions encountered is copied from complainant's brief:

"At Oakridge, 45 miles west of Eugene yard, a helper station is operated; helpers are attached to westbound trains at that point. The Springfield subdivision between Eugene yard and Oakridge, extends 45 miles; between Oakridge and Crescent Lake 51.9 miles, consisting of two dispatcher districts. Between Springfield, 6.1 miles west of Eugene yard, and Oakridge, 38.9 miles, there are 2 telegraph offices. Between Oakridge and Cascade Summit, 43.8 miles, there are 4 telegraph offices. At Oakridge, 45 miles west of Eugene yard, the helper station is operated. Helpers are attached to westbound trains at that point and are normally cut out at Cascade Summit, 43.8 miles westward (278).

"The gradient between Oakridge and Cascade Summit is continuous, ascending at the rate of 1.8 percent for the distance shown. Nineteen tunnels are located within this mileage, as well as 8 passing tracks and 4 train-order stations. The distance between sidings averages about 4 miles. The passing tracks are limited from 98 to 115 cars. Train order stations are spaced westward from Oakridge, 11.2 miles, 8.9 miles, 5.6 miles, 8.8 miles, and 9.3 miles, respectively. Carrier records show average tonnage freight trains consist of 85 cars (279).

"Springfield subdivision carries the main passenger and freight business moving from and to Oregon points for California and east. This subdivision connects with the Shasta division at Crescent Lake, through which the principal car supplies move to the loading territory on the Portland division (279). The Black Butte subdivision connects with the Shasta division at Ashland, Oreg. Only one regular passenger train is operated between Springfield Junction and Ashland and one regular passenger train between Ashland and Black Butte, Calif. An operating division point is located at Roseburg, Oreg., 71.7 miles west of Springfield Junction (279). For operating convenience, tonnage originating at Dillard, 10.6 miles west of Roseburg, generally moves eastward to Eugene where it is placed in westbound trains and routed over Springfield subdivision.

"The direction of this line is, from a compass standpoint, north and south, but for train operating purposes it is designated west and east, west being toward San Francisco, and east being away from San Francisco (280).

"Westward from Ashland, trains are operated over what is known as the Siskiyou Mountain. The gradient consists of 16.9 miles of 3.3 ascending grade for westward trains, to the station Siskiyou; then passes through a tunnel about 1 mile in length. The grade is then descending for a distance of 19.1 miles to Hornbrook, Calif. Eastward trains are operated over the mountain grades mentioned. Between Ashland and Hornbrook there are 5 passing tracks with capacity varying from 48 to 73 cars. Only 1 train order station, at Hilt, 27.3 miles west of Ashland, is operated (280).

"Freight train frequency of operation on the two subdivisions mentioned is materially affected by the physical characteristics of the line, especially on the two mountain grades mentioned, of Oakridge and Ashland."

From his studies the witness stated that the total number of trains operated daily on the Oakridge-Crescent Lake tracks was between 32 and 34. It seldom exceeded 16 freight trains per day in each direction. Often no more than 7 or 8 freight trains were operated in either direction. During the week of April 2, 1950, 51 freight trains were operated east and 51 west between Eugene and Crescent Lake. Forty-three passenger trains were operated and 68 helpers and light, making a total of 215 trains. (Tr. 283). The density for the week ending April 9 was 57 freight trains east, 51 west, 53 passenger trains, 68 helpers and light, a total of 219 (Ex. 5). The density for the week April 2, 1950, through the week commencing October 22, the average number of trains operated daily ranged from 32.4 to 34.7. In 1950 the average west cars on hand at the Eugene yards ranged from 400 during the first 2 weeks of April, above 500 for May and the first half of June, reached 861 for the week of June 21 and did not again drop materially below 500 until late in July 1950. During 1951 the total cars handled west from Eugene averages some 17 more per day than in 1950. This is said to be due to an order from "D. T. A." requiring heavier loading. The total cars handled in both directions in 1951 through Eugene yard averaged about 35 more daily than in 1950. From this study the witness for the Commissioner of Oregon concluded that the Oakridge-Crescent portion of defendant's line has reached its maximum capacity under existing conditions and that substantial delays in the movement of both empties and loads have resulted.

A similar study was made of the train density via Ashland. During April 1950 some 10 freight trains were operated daily between Ashland and Black Butte; 2 passenger trains, 3.9 helpers and light, or a total of 15.9 trains per day. The two passenger trains were operated throughout the period studied. The operation was as low as 6.3 freight trains per day in May, 5.9 in June, 6.8 in July, 4.8 in August, and 6.1 in September. For the period April through October, the daily average of freight trains in both directions over the Ashland-Black Butte lines ranged from 6.6 to 9.3.

The main supply of empty cars for loading in the valley comes through the Crescent Lake gateway. The Ashland gateway supplies empty cars for Medford, Phoenix, and Grants Pass, Oreg., and southern portions of

defendant's lines. The study (exhibit 7) reflected a day-by-day analysis for the period April to October 1950 of freight cars loaded and empty, handled east and west by Eugene and Crescent Lake with a comparison showing the number of west cars on hand as of 5 a. m. each day and the locomotives available. Complainant described the study on brief as follows:

"For the weekly period beginning April 3 the daily average of west cars on hand was 356; in the following week, 379; the next week, 485; then 539, 619, 558, 564, 691, 516, 463, 757; a high of 861 for the week of June 21; 784 the following week, 480 the next, 544 the next, 604 the next, then 460, 527, 380, 390, 243, 247, 275, 608, 391, 376, 448, 392, 439 and for the last week shown, the week of October 23, 539.

"On 2 days of the week commencing June 19 the west cars on hand exceeded 1,000, the average being 861. During that same week the average daily cars handled was 1,353. During the following week when the west cars on hand average 784 the average number of cars handled daily was 1,377; the highest daily average, 1,435 cars, was reached during the week of May 15, when the west cars on hand reached a high of 671 and averaged 564.

"The second section (of exhibit 7) covers the period April to October 1951, and likewise shows cars handled east and west and the west cars on hand, as well as additional locomotives available. The week ending April 2, there were 952 cars to be handled west at a daily average, 657 average was handled each day leaving an average of 310 on hand as of 5 a. m. The following week an average of 976 was available for westbound movement and an average of 320 left on hand. For the week of April 16, the daily average to be handled was 1,074 and the daily average on hand was 386; for the following week the daily average westbound cars to be handled was 1,028 and on hand 298; for the week of May 7, the west cars on hand was 378; for the week of May 14 a high of 501 west cars on hand was reached; for the following week 463, then 400, 388, 497, 582 for the week of June 18; 443 for the week of June 25, 276 for the week of July 2, 283 for the week of July 9, 320 for the week of July 16, 434 for the week of July 23, 438 for the week of July 30, 537 for the week of August 6, 426 for the week of August 13, 488 for the week of August 20, 500 for the week of August 27; 292 for the week of September 3, 398 for the week of September 10, 314 for the week of September 17, 378 for the week of September 24, 308 for the week of October 1, 353 for the week of October 8, 453 for the week of October 15, 432 for the week of October 22.

"The highest weekly average for total cars handled was for the week of April 23, with an average of 1,496 cars. The highest daily average for westbound movement of loads and empties was reached during the week of June 18 when an average of 742 cars was handled daily. In that week the eastbound daily average was 609 cars and the total cars handled 1,351."

From the studies the witness concluded that there is more traffic available on the Southern Pacific Western Oregon lines than is practical or feasible to handle in their existing operations. In his opinion relief could come from an order of the Commission requiring the Oregon Electric to furnish cars as far south as Drain and get them back, keeping the cars away from the mountain. Defendant could handle more traffic to Portland. If such were the case, trains could be increased and congestion would be avoided on the Cascade Line. The distance from the Oregon lumber area to the east through Portland is some 175 miles shorter than the distance through Ogden. The witness was strong for using the Portland gateway. He stated that provision should be made for free exchange of equipment at Portland, expecially for traffic as far south as Albany. The witness suggested that lumber shippers would be benefited, and the handling of Oregon lumber traffic could be facilitated if the yards at Eugene were enlarged, by central traffic control on congested portions of the line, and the lengthening of passing tracks on the Eugene-Crescent Lake Line. Some of his reasons for concluding that the portion of line in question was being used substantially to capacity were the fact that during the summer months of 1950, 1951, and 1952 there were very few days when the train density exceeded 35 trains, and seldom was there a density of freight trains exceeding 17.

The total number of cars originated by defendant in 1950 exceeded the number originated in 1940 by 427,000 carloads, an increase of 54 percent. The number of cars owned by defendant increased 15,389. This, however, does not portray adequately the picture so far as availability of cars for loading Oregon lumber is concerned. Defendant is said to have depended for many years for its car supply upon cars furnished by other lines. At numerous times during the last 10 years complainant shows that defendant has had between 180 and 194 percent of its ownership on line, whereas in more recent years, 1949, for example, it had an average of only 128 percent of ownership on line. The general superintendent of transportation of defendant testified (transcript 965) that the general adoption of the 5-day week has decreased the utility of freight cars to such an extent that it has displaced an estimated 5,197 of defendant's car supply. Using that figure, instead of an increase of 41 percent in effective car ownership in the 10-year period, it has shown an increase of only 27 percent in contrast to 54 percent increase in cars originated. The inadequacy of defendant's car supply is further emphasized by defendant's witness, Andrus (83), in his testimony wherein he states that the average length of haul of lumber products originating in Oregon has increased from 1,293 miles in 1940 to 1,598 miles in 1949 and 1,718 miles in 1951.

The record shows that in certain instances cars furnished Oregon shippers were undesirable for intended shipments. Typical of this evidence was by witness Griswold (transcript 75), who was given 44 undesirable cars out of 98 furnished in the month of July 1950. Witness Anderson was compelled to load cattle cars, refrigerators, and gondolas; witnesses Bronson (transcript 261) and Hedrick (transcript 738) were compelled to accept cars littered with debris from previous shipment. Others were furnished automobile cars limited to California destinations where the market was not desirable.

Complainant stresses the inadequate car ownership of defendant as a factor contributing directly to the car shortages that work hardship on Oregon lumber shippers. It considers the lack of a proper number of cars owned by defendant as one of the direct causes of car shortage and alleged poor car service in the origin territory considered. It criticizes the use by defendant of its 1940 ownership as a base of comparison because, as it claims, 1940 is the lowest ebb in car ownership for a long period of years, being only 85 percent of 1937 ownership. Complainant asserts that this is largely the reason for the fact that during the war years 1941–1945, defendant had little more than half enough cars to meet its traffic requirements. Exhibit 14, page 14, shows the average percentage of cars on line to cars owned (1941–1945) range from 151 to 202 percent.

Complainant insists that defendant was short some 19,000 cars in 1940. That comparison of increases in car ownership with growth of traffic is little help to the understanding of the real causes or effects of car shortages to the Oregon lumber shipper, because the development of the lumber business is so much dependent upon an adequate car supply during the times the cars are most needed. Complainant uses exhibits filed by defendant to emphasize this point. For example, defendant shows that the 1951 cars owned or leased was 147.7 percent of those in 1940 (exhibit 51). The improvement made in cars shows that they could transport in 1951, 155.6 percent of the 1940 tonnage. (Exhibit 53.) For the same period carloads of revenue freight originated increased 143 percent and tons increased 158 percent. These average figures have little significance to lumber and grain shippers, complainants herein. The latter are interested principally in boxcars. The increase 1951 over 1940 for that class of car was 145.1 percent in number, and 146.6 percent in carrying capacity. Forest products (excluding logs) originated by defendant in Oregon during that period increased 183 percent in carloads and 209 percent in tons. It is claimed that some 7,700 more boxcars than was acquired by defendant was needed for the increase in traffic. It would have required 12,000 additional boxcars to have kept pact with the 204 percent increase in Douglas fir lumber production in Oregon during the same period. (Exhibit 14.) In 1950 some 82½ percent of defendant's traffic originated in Oregon consisted of forest products. Comparisons were made of revenue-ton miles and traffic originated per mile of road on lines of defendant with national averages. On the revenue ton-mile showing, complainant insists that defendant was short in car ownership by several thousand cars. As to traffic originated per mile of line, the national average in 1950 was 145 cars in contrast with 150 for defendant system lines, and 215 on its Oregon lines. Other comparisons were made in computations from exhibits of record to show that viewed from any standpoint car ownership of defendant is much below its current needs. The following summary from complainant's brief is designed to place side by side the several yardsticks which it has used:

Method of measurement:	*Added cars shown to be required*
Index number increases over 1940 based on increase in lumber production	20,500
Same, with Grant[1] allowance for 5-day week	25,700
Revenue ton-miles, 1950	31,000
Revenue ton-miles, 1951	26,500
Revenue ton-miles, 1951, adjusted to Wascoe,[2] exhibit 56	24,000
Revenue ton-miles, 1951, adjusted to Wascoe exhibit 56, with Grant allowance for 5-day week requirements	29,000
Percentage of ownership on line, 5-year average, 1941–49	33,254
Percentage of ownership on line, 1949 only	25,858
Car orders, exhibit 47	20,836

[1] Witness C. H. Grant, general superintendent of transportation, defendant lines.

[2] Witness Ferdinand Wascoe, assistant engineer, bureau of transportation research, defendant lines.

Shortage of adequate car ownership by defendant would affect its ability to serve shippers over the whole of its system lines. Complainant shows, upon brief, that Oregon lumber shippers are made to bear the brunt of all car shortages and the shortages have been severe during the summer months—the main shipping season for the years 1946 and since.

A witness for the Oregon commissioner (exhibit 11) shows that the car shortage on the Portland division was acute from the week ended May 15 and continued until the second week of November 1950. Weekly shortages after the first week exceeded 1,000 cars, averaging 2,864 cars during July and

showing a high of 5,562 in late August. Defendant does not question seriously the correctness of these figures. Somewhat comparable figures appear in exhibit 30, introduced by the general superintendent of transportation for defendant. It shows that an average shortage of some 1,352 cars existed on the Portland division. The exhibit indicates that a severe shortage of cars was experienced on the Portland division some weeks before any shortage was indicated for the rest of the system. No overall system shortage is shown until the week ended June 17, 1950. The system shortage for that week appeared as 831 cars, whereas the shortage for the Portland division is shown as 1,497 cars. Extensive comparisons are shown in complainant's exhibit 11 and defendant's exhibit 30. According to complainant the weekly average shortage on the Portland division was 2 or 3 times that shown for the system. For example, for the weeks ended July 15, 22, and 29 there was shown a net system surplus of 303,421, and 95 cars (exhibit 30, p. 30), whereas there was a shortage on the Portland division of 2,091, 2,793, and 2,884 cars, respectively (exhibit 11, p. 1).

Complainant claims that during the period of extreme shortage of cars on the Portland division in 1950, there was reported a surplus—sometimes a substantial surplus—on other parts of the system of defendant lines. In support of this, complainant on brief states:

"We have prepared the following table entirely from Southern Pacific data admitted to be—indeed claimed to be—accurate. We are convinced the system data are exaggerated and that Portland division data reported to San Francisco for inclusion therein did not account for the full shortage. The system figures are from * * * exhibit 30, page 30, the Portland division figures are from * * * exhibit 11, pages 1–3, and the final column showing car surpluses on the Pacific system, excluding Portland, are our computations therefrom."

Portland division shortage—System surplus

[Total cars, all types]

Week ending—	Portland division shortage	S. P. Co. Pacific lines surplus or shortage	S. P. Co. Pacific lines (excluding Portland division) surplus
1950			
May 20	451	3,440	3,891
May 27	1,433	4,146	5,579
June 3	1,617	1,701	3,318
June 10	1,910	334	2,244
June 17	1,947	[1] 831	666
June 24	1,113	[1] 893	220
July 1	2,319	[1] 1,108	1,211
July 8	2,282	[1] 487	1,795
July 15	2,091	303	2,394
July 22	2,793	421	3,214
July 29	2,884	95	2,979
Aug. 5	3,686	[1] 1,000	2,686
Aug. 12	4,650	[1] 904	3,746
Aug. 19	4,853	[1] 1,008	3,845
Aug. 26	5,253	[1] 1,382	3,871
Sept. 2	5,562	[1] 1,171	4,391
Sept. 9	3,873	[1] 1,422	2,456
Sept. 16	4,624	[1] 419	4,205
Sept. 23	4,915	[1] 270	4,645
Sept. 30	4,232	[1] 1,117	3,115
Oct. 7	4,454	[1] 1,023	3,431
Oct. 14	3,915	[1] 934	2,981
Oct. 21	2,800	926	1,874
Oct. 28	2,012	[1] 192	1,820
Nov. 4	1,456	1,644	2,100
Nov. 11	453	2,226	2,679

[1] Denotes shortage.

The above figures may not be correct in every detail. However, the record is persuasive that there have been during the summer months 1946–50, inclusive, serious shortages of cars for all the lumber that western Oregon shippers desired to have moved. Complainant asserts that the all too few cars have been so distributed as to unjustly discriminate against and among the lumber shippers of western Oregon. The real basis of discrimination among such shippers is said to have arisen from the manner in which allotment of the cars available was made to the several western Oregon mills. Mills were given ratings by an official of defendant at Portland. The ratings were published early in the car-shortage period of 1950 in what is called Agent's 50 Report. The method employed in determining mill ratings for cars is an issue about which there is much controversy in the record. Typical of these reports are shown in exhibit 82 (in three parts) (Tr. 801). In discussing this issue on brief, defendant states, in part:

"The difficulty of solving the problem of accurate mill ratings was brought out by Mr. George Leslie, assistant superintendent of defendant's Portland division, in charge of car distribution (741). Mr. Leslie said that the question first arose in the early twenties, when a meeting was called by the Oregon Railroad Commission during the time Mr. William P. Ellis was secretary (794). This hearing was attended by representatives of the Oregon Commission, of the ICC, and defendant. As the result of that meeting a group of lumber shippers appointed a committee who gave defendant the ratings of each sawmill on its line at that time for use in distributing cars during the shortage then in progress (1094–1095).

"There being no car shortages on defendant's line from the early twenties to 1946, there was no occasion to maintain any mill ratings during that long period. However, the question again came up in 1948 when a meeting was held at Grants Pass on the invitation of lumbermen at that point. This meeting was presided over by Mr. Carl W. Huson, manager of the Engler-Huson Co., and was attended by a large number of shippers and by Mr. Leslie and other railroad representatives (1095–1096).

"At the meeting, Mr. Leslie suggested that the shippers form a committee and supply defendant with the ratings of each of the mills in the Rogue River Valley. At first, they said they would, but later they reported that they did not want to do so because it would divulge each other's secrets (1096–1097).

"The next time the subject came up, according to Mr. Leslie, was in the spring of 1950, when another meeting was held in Eugene, Oreg. This meeting was attended by between 75 and 100 persons, including Mr. Robert H. Bronson, one of the witnesses for complainant in the instant case, by Representative HARRIS ELLSWORTH and a number of others. Mr. Leslie testified concerning this meeting:

" 'Question. [By Mr. Lyons]. And what was the subject of that meeting?

" 'Answer. It was a general discussion of the car situation, sort of a friendly get-together meeting.

" 'Question. Was anything said about the mill ratings?

" 'Answer. Yes. Mr. Hopkins personally addressed the meeting and asked any of the lumbermen if they could help us out in obtaining some substantial data as to the ratings of the mills, and he would (1097) like a committee, if possible, of the lumberman to get together and give us such information.

" 'Question. And did they on their own volition supply you with any information as a result of that meeting?

" 'Answer. No, sir.

" 'Question. Now, your present recollection is that this meeting was called shortly after you had already initiated steps to obtain some form of rating sheet in 1950 in anticipation of a car shortage in the summer that year?

" 'Answer. Yes, sir, because the weather was good and it was a nice noonday at the hotel, as I was facing the windows and it was a nice sunshiny day and it should have been shortly after the early spring.

" 'Question. Well, then, failing to get any assistance as a result of that meeting, what did you try to do?

" 'Answer. I proceeded to do the best I could in the short time I had to take up the information on the ratings and the capacities of the mills with my first rough draft.

" 'Question. Now, do you claim that the first rough agent's 50 report was 100 percent accurate?

" 'Answer. No, sir.

" 'Question. Was it the best that you knew how to get at the time?

" 'Answer. It was, sir.

" 'Question. Now, did you during 1950 make a revision in the agent's 50 rating sheets as information came to you of either errors or (1098) desires on the part of any shipper whose rating was indicated that wanted to have a change made?

" 'Answer. Yes, sir; and that is borne out by the fact that I reissued this R–50 report several times because I found bugs in it.

" 'Question. Now, how long was the first agent's 50 rating sheet in effect?

" 'Answer. I can't say that, but I presume about 6 weeks.

" 'Question. And you did accept revisions as, for example, was brought out in connection with the mill at Stomar Lumber Co.?

" 'Answer. Yes, sir; I did.

" 'Question. Now, there were others; were there not?

" 'Answer. Yes, sir.

" 'Question. How many mills were covered by the first agent's 50 report?

" 'Answer. Four hundred and thirty-six' (1099).

"This testimony stands uncontradicted in the record. Copies of the ratings were supplied by defendant to the Oregon Public Utilities Commissioner, who secured the number of cars furnished each shipper from defendant's records (1099–1100). No objection was made by him, so far as the present record indicates, to any of such matters."

As shown in the testimony, the agent's 50 report was placed in use on the Portland division at the beginning of the car shortage period in 1950. It was compiled from information received from agents on the Portland division (Tr. 802). The witness was subpenaed by complainant, and appeared as an adverse witness. Defendant in 1950 was distributing cars from the Portland office for almost the entire Portland division, and that undertaking was left largely to the official just named.

The testimony of this witness is treated, in part, upon brief of complainant as follows:

"Questioning of Mr. Leslie developed the actual process followed in compiling the mill ratings embraced in the agent's 50 report," which were thereafter made the basis for allotment of quotas of constantly varying percentages. Our questions were directed to specified stations, picked at random, which were believed to represent a cross section of the Portland district. The record, therefore, shows clearly the process followed.

"In compiling the first issue of his allocation list he depended upon reports from local agents of his company responsive to his inquiry as to two principal facts—production capacity and loading capacity. This information was obtained largely from the mill management by the local agents and transmitted to Mr. Leslie, who made his own interpretation of the data submitted and established the rating. In compiling later lists like process was used except that the inquiry was made direct to the mill management by Mr. Leslie, who accepted the replies at face value, without verification, but who apparently wavered between production capacity and loading capacity in establishing his rating figure with most discriminatory results.

"He stated that the inquiry concerning loading capacity, made in his letter to shippers and agent, had no bearing on the rated capacity of the mill, and was intended mainly for information purposes (1052–3). But

a Coos Bay mill producing 4 cars daily was rated at 8 cars, because it could load 8 cars (1059). A Dallas mill producing 20 to 22 cars daily was given a quota of 30 cars daily (1060). A Grants Pass mill that can load 8 cars per shift—of 16 cars per day—is allotted only 5 (1066). A Grants Pass shipper with an 8-car capacity was alloted only 5 (1067). Another Grants Pass mill that can load 14 cars was rated at 4 (1070).

"A tide water mill at Toledo which normally ships no more than 8 cars by rail is given a 20-car rating, ignoring its water shipments (1090), while a 24-car cargo mill at Coos Bay had an allotment of only 6 (1056). A Corvallis mill with a capacity equal to 4 cars daily, without any report on loading capacity, was given a 6-car rating (804). A Wren mill of greater capacity was rated first at 4 cars, then raised to 5 on the protest of its owner (807). A Medford mill with a production capacity of 8 cars has an allocation of 16 (1079).

"The foregoing constitute examples of some of the more glaring inconsistencies in the compiling of data for the Agent's 50 Report. Other shippers, perhaps a large portion of them, were rated on their own claim of actual productive capacity. While the overall productive capacity of all mills combined, as developed by the report, is perhaps reasonably accurate, it is only by reason of the fact that the high ratings offset the low ratings. Between individual shippers, however, the inaccurate ratings produced rank discrimination and injustice. A mill with a rating double its normal production suffered no shortage of cars when the mills of the district were working on a 50 percent quota. Competitors rated fairly dropped from 2 shifts to 1 and tried to stay in business. The underrated mill kept going as long as it could, then shut down its planer, or perhaps shut down entirely and waited for the building season and car shortage to end—to sell its inventory at reduced prices.

"It is difficult to explain, and this record does not explain, why he should have used such unconventional and basically unsound methods in establishing the yardstick upon which all car distribution was to be measured, when he had readily available in his own records, as he well knew and admitted, accurate data of actual shipments, and there were at least three recognized, unbiased directories of lumber mills and their production available for his guidance. Indeed, his own freight traffic manager had published unbiased and current data which he could have safely used with little possibility of challenge. Instead he relied upon biased reports of local agents, selfish claims of individual mill owners and then—to cap the climax—personally established the rating of individual mills without any disclosed reason or justification for his choice of method either upon claimed mill capacity or claimed loading capacity, which might mean length of spur track, capacity of loading dock, or perhaps the number of men in the loading crew then employed, although he professed to believe the capacity of the mill should be the rule."

The complaint herein charges defendant with unlawful acts in connection with car service, or the lack of it, in western Oregon which have caused lumber shippers to bear increases in transportation and marketing costs, loss in labor causing the curtailment of production, preventing deliveries on sale contracts for lumber, from selling in the open market, all resulting in damage and loss of good will, for which complainant alleges the defendant is liable. These allegations were made in the complaint for the benefit of any lumber shipper member of complainant committee who might desire redress through an award of reparation. Only one, A. L. MacInnis and Cosima D. MacInnis, d. b. a. Wren Planing Mill, has asked damages or reparation in this proceeding. Violations of sections 1 (4), 1 (11), and 3 (1) specifically are alleged by this complainant, and damages under sections 8 and 9 of the act are sought for the period June 1 to October 1, 1950. It specifically is charged that during that period defendant failed to furnish this shipper a reasonable car supply, and that it unlawfully discriminated against this shipper in that it failed to make an equitable distribution of the cars it did have on the Portland division. This claim is based principally on the failure of defendant to establish and enforce car quotas equitably to distribute its short supply of cars during the period in question, due largely to inconsistencies and variances in keeping records of cars ordered and supplied to this and other shippers. Most Oregon lumber mills, including Wren, are dependent on adequate car supply to keep their mills in operation. Storage facilities are limited. Without cars the storage space soon is filled and slowdown or shutdown in operation is forced. The claim here is that defendant prevented Wren from producing lumber that it could have produced and sold by failure to supply cars. The shipper testified directly that there was no stoppage of work at his mill during the period June 1 to October 1, 1950, except for that made necessary by lack of cars (Tr. 536, 599). There was no recorded sawmill production for a period of 10 days from August 18 to August 29, 1950 (Tr. 1149). However, exhibit 18 shows that during that time defendant furnished Wren two cars, one on August 23 and one on August 24. On August 14 Wren ordered 6 cars for placement August 18; on August 19, 6 cars were ordered for replacement on August 21; and on August 24, 18 cars were ordered, 6 for each day of August 25, 26, and 28. This total of 30 cars ordered for delivery during the 10-day period, according to complainant, shows that the shutdown was due solely to the lack of cars.

The complaint refers to the reports of the Commission in which it has discussed methods for distribution of cars in periods of car shortages. In *Tanner & Co.* v. *Chicago, B. & Q. R. R. Co.* (53 I. C. C. 401, 406), the report states:

"Thus it is a common practice of carriers in periods of car shortage to distribute coal cars in accordance with mine ratings, determined by the volume of past shipments; but coal is shipped as mined and the amount that may be considered ready for shipment is the amount that can be mined, loaded, and forwarded from day to day. The best evidence of mine capacity is the volume of shipments during normal periods."

Lumber produced at mills in western Oregon must be shipped almost as it is produced. Complainant stresses the fact that rating such a mill for cars based on production, as indicated in the quotation above, is not a proper measure because car shortages in western Oregon during summer months since 1946 has been the rule and not the exception. Ratings based on prior production would necessarily carry into effect the consequences of prior shortages of cars and serve to protect defendant in its alleged failure to furnish cars during the complaint period herein. Because of this, complainant asserts that there has not been a period of normal movement of lumber from the considered origin territory that would show the true capacity of lumber mills or the true market demand. It is argued, therefore, that the rules established in cases determining quotas for movement of wheat and coal would not be equitable if applied strictly to the case of western Oregon lumber. It further is argued that in considering the question of damages suffered by Wren during the summer months of 1950, it should not be limited to lumber on hand, nor to shipments made in prior years as a basis for capacity. Prior operations and prior shipments are only as accurate a measure of Wren's capacity as defendant's furnishing of cars in any period was proper and complete. There being no period of proper or complete car service for Wren, rules for distribution stated in prior Commission reports should not be considered as controlling here.

Rating for mills in the so-called agent 50 reports gave Wren 4 cars on a stated production of 135,000 feet. This production figure was said to have been furnished defendant by 1 of the partners of Wren (Tr. 807). The rating later was raised to 5 cars, but the record is indefinite as to why just such an increase was made. Wren claims that it was at the time producing more lumber; that it was and is shown in reliable publications relating to the Oregon lumber industry as having a capacity of 140,000 feet in its resaw and 200,000 feet for the planing mill. Wren claims that the proper official of defendant was advised of this capacity which would warrant a quote or rating of 7 cars per day, but that the carrier official could not remember having received such advice from Wren (Tr. 808). Notwithstanding the fact that reliable information was published by defendant's freight traffic manager, Crow's Buyers and Sellers Guides, and so forth, such publications were not consulted nor used in making ratings for Wren or other mills on the Toledo division of defendant's lines. At no time during the period covered by the report was Wren given a rating of more than 5 cars (Tr. 797).

Reference is made to *Martin Bros. Box Co.* v. *Southern P. Co.* (280 I. C. C. 395) (now under court review). The Commission, division 3, dismissed the complaint which sought damages in the amount of $737,140.96 from losses of profit and $3,614,747 for loss of good will. It was alleged that defendant failed in its duty to provide and furnish transportation from the plant of complainant at Oakland, Oreg., upon reasonable request therefor, failed in its duty to furnish safe and adequate car service at that plant and subjected the complainant to undue or unreasonable prejudice and disadvantage. On brief, counsel undertakes to distinguish this from the Martin case as follows:

"The method by which proof of damages was made in the Martin case is similar to Wren's evidence herein, to the extent that loss was predicated upon estimated gross sales and a margin of profit computed from other business done by the complainant. (See 280 ICC, p. 403.) This method was not criticized by the Commission. Criticisms were: (1) That there was no evidence in the record by which operations (computed for a full year by complainant) could be broken down to the 9 months period covered by the complaint. (2) Margin of profit was computed on margins realized during a 5-year period, 1943–47, at complainant's plants located in Aurora, Ind., and Toledo, Ohio. The Commission said that conditions in 1943, 1944, and 1945 were not like those in 1947. (The Commission might have added that margins of profit at established plants located in the Midwest could vary considerably from the margins realized in a new mill located in western Oregon.)"

Wren asks an award of damages in the amount of $154,385.86. This total is made up of two items: (1) Loss of profits $144,510.45 (this is said to be what could have been obtained from mill and planer operations if Wren had available cars for capacity operation and shipment); and (2) for loss on sales of cants $9,875.41. The computations on which these losses are based are shown of record in exhibits 16 and 17. The computations appear to be based on a capacity operation—a production of 4 million feet per month, or 16 million feet for the reparation period June to September 1950 (both inclusive). That volume production appears to have been used by the witness based on what he termed "normal production" or that produced by Wren in July and August 1948 (Tr. 555, 585). Exhibits 16 and 17 are

copied in appendix A hereto. In explaining these exhibits, the witness said in part:

"Schedule A, page 1, this schedule is a recapitulation of the information shown on the other four schedules. From schedule D, page 4, we have the shipments under approximate normal production and from that we had deducted the actual shipments had by the company during the period, leaving an estimated shortage applicable to each of the sawmill's production and to the cants and lumber purchased. Such shortage is broken between the sawmill production of approximately 3,073,000 feet and to that applicable to the cants purchased and custom milling, 5,517,000 feet, or a total shortage of approximately 8,590,000 feet.

"The summary in the middle of the page shows the margin of profit—actually the margin of gross profit—computed by including only the direct variable costs, resulting in a margin of profit in their own sawmill production of approximately $32.12 per thousand, and on the cants and lumber purchased of $8.30 a thousand.

"The very last figures on the schedule merely apply the loss or estimated shortage of lumber by the appropriate rates per (Tr. 558) thousand on the estimated margin of profit to arrive at a total loss of profit, estimated approximately at $144,510.45 (Tr. 559). * * *

"On September 30, 1950, the Wren Planing Mill had on hand in cant inventory a footage of 560,784 feet. This footage was shipped in October of 1950 at less than what the actual purchase price of such cants were.

"The actual cost of the cant sales were $65.32, as shown by schedule A of exhibit 16, and the average sales price of the cants in October of 1950 was $47.71 per thousand, or a loss of $17.61 a thousand on the sale of the cant inventory in October of 1950. The total loss amounted to $9,875.41 which again is an approximation of the loss (Tr. 561). * * *

"(Mr. Lyons):

"Question. Now, turning your attention to exhibit No. 17, does that imply that there was a sale of cants, as such, by the Wren Planing Mill?

"Answer. No. They were remanufactured and sold. The company didn't just buy lumber and then act as—buy and sell the same lumber. They remanufactured and sold the lumber they purchased.

"Question. Inasmuch as your exhibit 16 covers the entire operation, I don't get the significance of exhibit 17.

"Answer. Exhibit 17 was for the purpose of showing the loss or the difference between the sales price and the actual cost to the Wren Planing Mill. In other words, they sold that cant inventory for less than what they paid for it (Tr. 595)."

On June 1, 1950, Wren had on hand 285,358 feet of sawmill lumber and 77,919 feet of cants; on July 1, 543,733 feet of lumber and 182,766 feet of cants; on August 1, 685,800 feet of lumber and 145,756 feet of cants; on September 1, 165,768 feet of lumber and 480,798 feet of cants; on September 30, 1,408,033 feet of lumber and 560,784 feet of cants (Tr. 595).

Witness for Wren presented at the hearing copies of a substantial number of car orders bearing dates in June, July, August, and September of 1950. Generally they sought delivery or placement of six cars per day. On some there were notations indicating that 5 cars were furnished on an order for 6; on others there were no notations to indicate whether any cars had been furnished on a particular car order. The record indicates that there may have been other car orders on which Wren received cars during the period, but which the witness had not brought to the hearing. (The copies of car orders mentioned above are exhibit 18 of record Tr. 577.) The witness stated that Wren actually received 173 cars (of which 7 were stopovers) during the period June to September 1950, inclusive. Of the 343 cars ordered during the period (Tr. 580), Wren shipped 47 cars in October and 26 cars in November 1950 (Tr. 582).

Exhibits 16 and 17 (reproduced herein as appendix A) were presented by a certified public accountant employed by Wren. They were reworked by another certified public accountant employed by defendant, whose study was introduced as exhibit 78. Wren made all his records available to the latter. From this examination of Wren's records, the witness stated that of 350 cars ordered for spotting by Wren, June to September 1950, inclusive, 197 were furnished during the period. Orders for 165 cars placed during the period were canceled (Tr. 1139–1140). For the year 1950, schedule B of exhibit 78 shows that Wren ordered 557 cars, canceled orders for 245 cars, and received 394 cars—82 more than asked for on uncanceled orders. No showing is made of cars either ordered or furnished for January and February. By months the record is as follows:

	Cars ordered	Cars received by month of receipt	Cancellations on orders of month
January			
February			
March	31	33	
April	24	47	
May	41	55	
June	93	58	1
July	44	45	1
August	81	31	32
September	132	32	132
October	78	46	78
November	24	26	1
December	9	21	
Total	557	394	245

From this, defendant argues that Wren was given a reasonable flow of empty cars for all the months during which it operated in 1950, actually 82 cars more than its records show from uncanceled orders for the year.

On the issue of discrimination against the Wren mill, on brief, counsel states:

"Distinct from the question of a general failure to provide cars there remains the question of discrimination in allocating the cars which were actually available in western Oregon during the complaint period. If Southern Pacific goes scot free on the more general question of car supply, it must nevertheless respond in damages to Wren for the discrimination which we believe is established by the record.

"On this question we confine ourselves to the period June 12, 1950, to and including September 30, 1950, which was the period used by Dench in exhibit 11 and by Southern Pacific in its related exhibits 79 and 80. The most detailed and complete record of cars ordered and furnished to Wren is contained in defendant's exhibit 66, and to eliminate argument we will adopt that exhibit with respect to cars ordered and furnished. From exhibit 66 we note two corrections which should first be made in defendant's exhibit 80. With respect to total number of cars ordered for the period June 12 to September 30, 1950, an analysis of exhibit 66 reveals that 315 cars were ordered instead of 309 as shown in exhibit 80. Likewise, exhibit 66 shows 156 as total cars furnished during the period instead of 155.

"We believe that during the period June 12 to September 30, 1950, Wren was entitled to receive, as a minimum, the same percentage of cars in relation to its car orders as the other 23 mills on the Toledo branch, listed in defendant's exhibit 80. To arrive at that percentage we have subtracted Wren orders and cars furnished from the total orders and cars furnished as shown by exhibit 80. Excluding Wren, 3,045 cars were ordered and 2,365 cars were supplied on those orders. The percentage of cars furnished to cars ordered is 77.5.

"Taking the 315 cars ordered by Wren for this period, as shown by defendant's exhibit 66, Wren was entitled to receive 77.5 percent or 244 cars. From exhibit 66 we find that Wren received only 156 cars, or a shortage of 88 cars.

"At this point we are compelled to lean over backward in estimating the footage of Wren lumber which would have been shipped in those 38 cars, because of a deficiency in the record. We know that Wren averaged 39,200 feet per car for 36 cars in August of 1950, and that the average was 30,200 feet for March 1950 (Tr. p. 1144). The average for the total complaint period is not in the record. Witness Shinn thought it would exceed 30,000 board-feet per car (Tr. p. 583). In view of the foregoing evidence, we think there can be no objection to our assumption of a figure of 30,000 feet per car, which has been used throughout the record as an industry average. At that figure, Wren could have shipped 2,640,000 feet in the 88 cars.

"Taking the percentages of Wren's own sawmill lumber and cants for the complaint period, as shown by exhibit 16, 47 percent or 1,240,800 board-feet would be attributable to Wren's own sawmill operation, and at the actual realization of $32.12 per thousand on such sawmill lumber, as shown by exhibit 16, the profit would be $39,854.49. On the 53 percent attributable to cants, we would have 1,399,200 board-feet at a profit of $8.30 per thousand or $11,613.36. A total loss of profit of $51,467.85. To this should be added the $9,875.41 loss on cant inventory as shown by exhibit 17, for total damages of $61,343.26.

"If we revise the margin of profit to give effect to Hutchison's testimony, as we have hereinbefore set out, the margin of $25.15 per thousand on sawmill lumber and $9.38 per thousand on cants would give a total loss of profits of $44,330.61, which with the loss on cant inventory added would give total damages of $54,206.02.

"We contemplate that these figures will be objected to by the defendant on the grounds that Wren ordered a greater percent of its rated capacity than the average mill on the Toledo branch. If those rated capacities were accurate there would be merit in such an objection. And if Wren had ordered more than 100 percent of a correct rated capacity we would likewise agree that such excess orders should not be considered; but in view of the testimony of the defendant's superintendent in charge of car supply, Mr. Leslie, showing that each mill's own statement of its capacity was used as a basis for car quotas (Tr. p. 797) and the admission of witness Grant for defendant that under such circumstances the ratings were no more reliable than car orders as a basis for allocating cars (Tr. pp. 1183–1184), we believe that the rule of *Wausau Southern Lumber Co.* v. *G. & S. I. R. R. Co.* (64 I. C. C. 732), is properly invoked. This case involved an alleged discrimination in distribution of cars in favor of competing lumber companies. Distribution was supposedly based on the proportion of cars loaded during normal supply, with adjustments for capacity changes. The complainant contended that distribution should be based upon ability to promptly load as determined by production and accumulated stock on hand. An inspector from the American Association of Railroads made an investigation and established quotas. The Commission said that it was not satisfied that the quota basis was correct, and added:

" 'The best evidence of whether or not complainant was discriminated against in the matter of car supply would be afforded by testimony showing the number of cars ordered by the respective lumber companies * * * during the period in question,

and the number of cars furnished thereon by the carriers.'

"The complainant did not recover because there was no evidence in the record with respect to cars ordered and furnished.

"The Commission went on to say, at page 736, that any rule of car distribution established at one shipping point would of necessity have to be extended to include other lumber shippers located on the carrier's lines in the same general district. And that it was just as important to maintain a proper relationship for car distribution between shipping points, districts, and railroad divisions as between individual shippers.

"Approaching the problem from another standpoint, if Mr. Leslie had in the case of Wren, used Wren's statement of capacity, as he said he did in the case of other mills, he would have rated Wren upon a 6-day week (Tr. p. 536), and upon a capacity in excess of 200,000 feet per day (Tr. pp. 529–530) which would show a rating of 7 cars per day. Taking only the 6 cars which Wren thought it was rated (Tr. p. 535) instead of the 4 or 5 cars of the actual rating (Ex. 80) and using the 6-day week, Wren would have been entitled to 564 cars during the period June 12 to September 30, 1950 (same as shown for Corvallis Lumber Co., Ex. 80). Its orders of 315 cars would then appear as only 56 percent of rated capacity, instead of the 82 percent shown by defendant on exhibit 80; and that 56 percent is not disproportionate to percentages of other mills on the Toledo branch."

Exhibit 11, referred to by counsel, was submitted by Witness Thomas W. Dench, an employee of the public utilities commissioner of Oregon, who had been engaged in checking defendant's records during the period of 2 years prior to the hearing. He testified on cross-examination as follows:

"Question (by Mr. Lyons). Well, as a preliminary question, I like to ask you, Mr. Dench, did the Southern Pacific officers, including superior officers, and the station agents along the line cooperate with the Public Utilities Commissioner?

"Answer. We received 100 percent cooperation from the Southern Pacific; any files that they had available they permitted us to see; any material that we requested to look at—there was no indication that came to my knowledge of any refusal to supply information which we might have requested.

"Question. Now, you realize, Mr. Dench, that the Southern Pacific lines in Oregon are far flung and consist of many branch lines.

"Answer. That is correct.

"Question. And to distribute a large number of cars within that area is a pretty hard job, isn't it?

"Answer. There is no doubt of it, Mr. Lyons.

"Question. And do you think after the 2 years' investigation, the Southern Pacific made a bona fide attempt to distribute its cars equitably and fairly among the shippers?

"Answer. Well, I believe the answer, in my opinion, is that the shippers and the Southern Pacific are both human; human errors will creep up, and certainly I believe that they tried, certainly (432) tried to do the best they could." (433).

One of the partners, a principal witness for Wren was asked: "Now, Mr. MacInnis what was your car supply situation in 1951." Answer, "It was very good." (Tr. 577). In 1951, Wren is shown to have ordered for daily placement from 1 to 4 cars (exhibit 67). During the months of June to September inclusive, 1951, on 5 days only Wren ordered as many as 4 cars. For the rest of the period orders were for 1 to 3 cars. Defendant argues from this that orders of 6 cars per day during the summer period of 1950 by contrast with those ordered in 1951, and further evidenced by the large cancelation of car orders made in September and October 1950, show beyond doubt that the 1950 car orders were inflated and excessive. Schedule D of exhibit 78 shows total footages of lumber shipped by Wren by months for 1950 and 1951 as follows:

Total footages shipped

	1951	1950
January	666,586	0
February	83,119	0
March	110,038	1,001,061
April	60,482	1,207,061
May	490,896	1,429,970
June	1,293,778	2,269,640
July	1,503,143	1,722,566
August	1,448,938	1,573,728
September	1,141,352	1,626,028
October	1,551,318	1,723,706
November	462,685	816,694
December	473,906	608,145
Total	9,286,241	13,978,599

The accountant witness was asked about profits of Wren for operations in 1948, 1949, and 1950. He stated that Wren's profits exceeded $118,500 for 1948, $105,500 for 1949, and approximated $94,500 for 1950 (Tr. 590). The stated production capacity as 16 million feet of lumber and cants used for the basis of reparation sought assumed that Wren would operate almost full time during the 103 working days June through September 1950. Operations, production, etc., are assumed at full capacity with small margin for hazard that might cause stoppage of work, due to loading, shipping, marketing, or other hindrance (Tr. 593). The estimate based on capacity operation and handling of cant purchases also contemplated cars sufficient in number and when needed to keep the total volume of lumber moving as produced (Tr. 587). The estimates for the 4-month period also uses the prevailing prices for lumber at the time. It is assumed that those prices would have remained in effect if Wren and all the other western Oregon mills had 100 percent car supply during the period (Tr. 589). In contrast with the claim of right to cars for full capacity production and for placement when desired during the peak shipping season—or damages for not having received that sort of car service—Wren's counsel states on brief:

"The record in this case is replete with testimony of various mill owners who were required to reduce from a double to a single shift operation, and in some cases completely suspend operation during the period covered by Wren's complaint, until cars could be obtained (Tr. pp. 143, 360, 371, 661). Wren mill was among those so afflicted by the car shortage (Tr. p. 536). The planer was forced to go on a single shift operation and the sawmill was forced to close down completely, once for 10 days, and again for 2 weeks (Tr. p. 1163).

"The factors pointed out in the preceding paragraphs, arising from the car shortage, do not make less certain the fact of damages, but they do make necessary the use of some estimates in arriving at what the actual damages were."

It will be noted from the statement just quoted that other mills like Wren were prevented from operating at capacity during the peak season of 1950 for lack of cars.

Wren was entitled to just, reasonable, and nondiscriminatory car service. However, there is no absolute right of cars for any shipper, and the carrier is liable in damages only if it fails to render a reasonable service. In *Midland Valley R.* v. *Barkley* (276 U. S. 482, 484–485) the Supreme Court said:

"The right of a shipper to cars is not an absolute right and the carrier is not liable if its failure to furnish cars was the result of sudden and great demands which it had no reason to apprehend would be made and which it could not reasonably have been expected to meet in full. The law exacts only what is reasonable from such carriers."

There have been car shortages severe in nature on the Portland division of defendant's lines during the summer seasons since 1946. From the showing made of record there is no ground for the assumption that Wren or any other of the 436 mills on the Portland division reasonably might have expected cars for maximum lumber capacity production and in addition thereto, lumber purchases during the summer months of 1950.

On the issue of discrimination, it is clear from the record that Wren did not receive as many cars in the summer of 1950 as he desired; neither did other mills, as a rule, on the Portland division. Wren was diligent in his efforts to obtain cars; so were other shippers in the territory, and some of them are shown to have expended greater effort to obtain cars than did Wren. There is some evidence that Wren did not receive cars in the exact proportion to capacity production as was furnished other mills on the division during the time. This is said to be due to the method used and the manner in which defendant allotted cars to the mills during the period on a quota or rated basis. The main issue here is whether the alleged discrimination was "undue" and "unjust." Without here determining fully the lawfulness of car distribution as made by defendant on the Portland division, as treated in the main case, it properly may be said that the record shows that a rating was assigned Wren based on the information furnished by it. This is the method that was followed in the case of other mills. Ratings were revised as shown by exhibit 82. In such revision the rating for Wren was increased from 4 to 5 cars per day. Wren claims that the rating should have been changed to 7 cars per day. He claims that he furnished the proper official of defendant information sufficient to entitle him to that rating. The official testified that he had no recollection of having received any such advice from Wren. The official is criticized for not having used or consulted information furnished by the traffic manager of defendant and official publications relating to the lumber industry in Oregon for better results in assigning ratings to Wren and other mills on the Portland division. The same method was followed in assigning quotas or ratings for Wren that was followed in the giving of ratings to other and competing mills. The results were not satisfactory to Wren, nor to many other shippers who testified of record. The testimony of the official of defendant whose sole responsibility it was to make the quotas or ratings, viewed in retrospect, causes one to wonder why management of defendant left to one man so great a task with apparently little supervision and inadequate assistance. It is shown that the official was diligent in his undertaking to distribute the all too few cars, and, however unsatisfactory in some parts as to the results, he was not shown intentionally nor negligently to have failed in his undertaking fairly to distribute the cars provided for the Portland division during the period in question.

One of the partners of Wren observed cars that were placed for competing mills in his vicinity as he passed along the highway near the carrier tracks. He did not know the ratings of those mills, nor did he check to ascertain the car numbers for identification nor keep a record of such cars by definite count. From this he assumed that competing mills in the vicinity were getting a better quota of cars than was being furnished him. The annoyance caused by such observation is obvious. However, the evidence is short of proof requisite to establish unjust discrimination.

There is not upon this record proof to sustain an award of damages as sought by Wren. It follows that the claim for reparation should be dismissed.

Defendant called attention to certain tesimony on the issue of alleged inadequate facilities and lack of service to western

Oregon lumber shippers of witnesses for the commissioner of Oregon. On the facilities question, witness Winter conceded that in 1951 defendant "handled a few more cars" (Tr. 616) from western Oregon than in 1950. Page 2 of witness Clark's exhibit 20 shows the number of cars originated and terminated by defendant in Oregon 1940–51, inclusive, as follows:

	Carloads
1940	344,000
1941	409,000
1942	461,000
1943	476,000
1944	466,000
1945	418,000
1946	427,000
1947	479,000
1948	478,000
1949	449,000
1950	460,000
1951	507,000

It will be noted that 47,000 more carloads were originated and terminated in 1951 than in 1950. Of these, 15,635 cars consisted of lumber and forest products. The increase in volume of lumber and forest products carried was 619,400 tons.

As to operation of trains, witness Winter showed an operation of 1,672 westbound freight trains in the period April to October 1950 between Eugene and Crescent Lake, whereas during the like period in 1951, defendant moved a total of 1,747 such trains over the same section of line. Considering the rapidity in which defendant has increased its fleet of powerful diesel locomotives and switchers (exhibits 55 and 64), the completion of new retarder yards at Roseville and Los Angeles, increase in traffic density and freight-train speed (exhibit 29), planned centralized traffic control (hereinafter sometimes referred to as CTC) on the lines between Crescent Lake and Klamath Falls—the saturation point apparently has not been reached as claimed by Witness Winter.

Witness Winter mentioned the desirability of CTC as a means of expediting movement on portions of defendant's lines. At the time of hearing defendant had well underway a study of its several subdivisions of lines in Oregon, including the Portland division, the Springfield subdivision, and the Shasta division. These studies are discussed in brief as follows:

"Redispatching studies were made of train operations on each of those subdivisions as well as on portions of them for the latest 12-month period for which data was available. This study was made for the purpose of determining what effect the installation of CTC would have upon the movement of traffic over each of the subdivisions in their entirety, as well as over selected segments thereof. The segments studied were those between Oakridge and Crescent Lake on the Springfield subdivision, and the Klamath Falls-Chemult segment of the Kirk subdivision. The Kirk subdivision of the Shasta division, which lies south of Crescent Lake, handles all of the traffic that moves over the Springfield subdivision of the Portland division, plus the increment represented by the traffic of the Great Northern Railroad which uses that line between Chemult and Klamath Falls for a total distance of 74 miles, or approximately 75 percent of the total territory of that subdivision (890). In addition, there are many log haulers operated on the Kirk subdivision. The work of dispatching trains by train order system on the Kirk subdivision was found to be approaching a point where it would become a burden upon dispatchers and eventually lead to train delays. The Kirk subdivision is dispatched by one set of dispatchers, that is, 3 men around the clock, each working 8 hours, it being impractical to separate the subdivision into 2 districts for dispatching purposes (890–891). The Springfield subdivision of the Portland division naturally subdivides at Oakridge. One set of dispatchers handles the line between Eugene and Oakridge, a distance of 41 miles, and another set of dispatchers handles the line between Oakridge and Crescent Lake, a distance of 51.9 miles, as contrasted with the 99-mile Kirk subdivision (891).

"The * * * studies * * * mentioned demonstrated that, if there was any portion of the line between Klamath Falls and Eugene which would first become restrictive to the flow of traffic between Eugene and Klamath Falls, it would be that portion of the line extending between Klamath Falls and Chemult, and not the portion of the Springfield subdivision extending between Oakridge and Crescent Lake, as Mr. Winter contends. Because of the impracticability of separating the Kirk subdivision into two dispatching districts, one between Klamath Falls and Chemult, to be operated under CTC, and the other between Chemult and Crescent Lake, to be operated by the conventional train order system, it was concluded to equip the entire Kirk subdivision, Crescent Lake to Klamath Falls, with CTC, and the sum of $2,400,000, heretofore mentioned, was appropriated to accomplish this objective. The work has been started and it is expected the completed installation will be in service sometime before midyear 1953" (891–892).

There are not enough cars made empty in Oregon nor in California north of San Francisco to satisfy demands for empty cars for loading in these areas. It is necessary for defendant to move empty cars from the area around Los Angeles and from as far distant as Texas and Louisiana. A small number of cars are received from the D. & R. G. W. and the U. P. at Ogden. The necessity of bringing empties from such distant areas and over such portions of route as that via Tehachapi increases the chance of events to restrict or stop the flow of cars from those distant areas to the Oregon territory. Events that have hindered or stopped the flow of cars to western Oregon, such as the Tehachapi earthquake in July 1952, the loss of Western Pacific tunnel by fire in the Feather River Canyon, Calif., in August 1952, are said to be typical of events that make it almost impossible at times for defendant to get adequate cars into western Oregon. Obviously, that is true, but it emphasizes the claim of shippers local to defendant in western Oregon that they are made to bear the brunt of all car shortages, and that there are often severe shortages there when none is reported for the other portion of defendant system lines.

Prior to 1949 the supply of cars for western Oregon was hindered by a sort of bottleneck in that portion of line from Indio to Alhambra. Defendant, in undertaking better to serve shippers in western Oregon, the aforesaid bottleneck was relieved by CTC installed in 1949 at a cost of $2,500,000 (Tr. 898). A modern retarder yard was completed at Los Angeles in 1951 at a cost of $2,300,000. Operation on the line between Redding and Black Butte, Calif., has been improved by installation of CTC at a cost of approximately $855,000 (Tr. 899). At the time of hearing there had been completed a modern retarder yard at Roseville, Calif., at a cost of approximately $4,700,000. Roseville is said to be a sort of hub to and from which is dispatched loaded and empty cars. It is expected that the Roseville yard will relieve pressure on its yard at Eugene. The general manager of defendant lines testified somewhat at length in reply to criticisms made by witness Winter, an employee of the Oregon Commissioner. Witness Winter criticized sharply defendant's operations between Eugene and Crescent Lake. The testimony of the general manager is quoted on brief as follows:

"Since September 1, 1926, when the Cascade line was placed in operation, up to the present time, various portions of the railroad and facilities thereon have approached the point of being restrictive in the movement of traffic, including empties into Oregon, and as that potential has developed, these deficiencies have been corrected.

"Never has there been a time within the scope of my experience when the Springfield subdivision between Eugene and Crescent Lake, or that portion of it between Oakridge and Crescent Lake, constituted the governing factor in the movement of traffic, including empties into Oregon or the movement of traffic out of that State, except, of course, during those occasions when the movement of trains on that subdivision was interrupted by reason of snow difficulties, slides, derailments, and so on.

"It is also of interest to note that during the period 1942–1944, when I was serving as General Superintendent of (900) Transportation, and as a member of the Advisory Committee to W. F. Kirk, Director of the Office of Defense Transportation, and Agent of the Interstate Commerce Commission, it became necessary to divert traffic from various of Southern Pacific routes under authority of Interstate Commerce Commission orders to the end of avoiding or liquidating congestion occasioned by heavy upsurges of military traffic. Such situations were experienced on the El Paso route eastward from Los Angeles, on the Ogden route eastward from Roseville, and on the Valley route extending between Los Angeles and central California via Mojave and Bakersfield, but at no time was it necessary to seek such relief because of restriction imposed upon traffic flow by the Springfield subdivision of the Portland division.

"It must be remembered, and, as will be testified to in detail by a subsequent witness, that except for those spot shortages that may be due to traffic interruption for causes immediateley mentioned above or because of more serious and prolonged interruptions, as exemplified by the earthquake damage on the Tehachapi Mountains, when cars are in short supply in Oregon, they are in short supply elsewhere on the system.

"No reservoir of empty equipment ordinarily exists anywhere on the lines of this company that might be tapped for the benefit of Oregon, and which tapping it is alleged is prevented by restrictions imposed by the physical characteristics of the Springfield subdivision." (901)

Witness Winter also criticized the lack of facilities and the operation on the Siskiyou line between Ashland, Oreg., and Hornbrook, Calif. He described the line as incapable of handling more traffic (Tr. 319). Witness Hallawell stated that prior to 1926 the Siskiyou line was defendant's only entrance into Oregon. In June 1926 that line carried 32½ trains per day. Inauguration of service over the Cascade line through Klamath Falls diverted traffic from the Siskiyou line such that in 1952 the average movement over the latter was 8.2 trains per day. Defendant asserts that except for the removal of a few short sidings the line is the same as in 1926. The Siskiyou line now handles 30 percent or less of the empty cars brought into Oregon. In 1926 locomotives operated over the Siskiyou line into Oregon were of the 2–10–2 type with a rating of 645 tons. The locomotives now used to serve Oregon are for the most part diesels with a rating of 2,450 tons (Tr. 902). With the Cascade line in service western Oregon is now giving train service per day some eleven times that in 1926. Carloads originating on defendant's lines in Oregon have increased 170 percent and tons originated have increased 200 percent 1951 over 1926 (Tr. 903).

Complainant sought to emphasize the fact that defendant's facilities have not kept pace with the rapid development of industry in western Oregon during recent years.

That is a substantial issue in the proceeding. Bearing on that issue, defendant shows that over $630 million has been spent in the last 20 years for additions and betterments to its property and for locomotives and cars. Some $375 million of the investment has been made in the last 6 years. The testimony relating to the expenditure designed for expeditious handling of traffic to and from Oregon (made in the last 30 years) is summarized in brief as follows:

"1. Constructed the Cascade line, otherwise known as the 'Natron Cutoff,' completed in 1926 at a cost of over $33 million. This line, running from Natron, Oreg., to Klamath Falls, was constructed in order to bypass the heavy grades and curvatures encountered in movement over the Siskiyou Mountains. With increased capacity and reduced time en route, the Cascade line now handles all Southern Pacific through traffic to and from points east, in the railroad sense, of Eugene, Oreg.;

"2. Relocated a section of the line between Black Butte and Klamath Falls at a cost of $10,800,000. This line change, when considered along with the Cascade line, resulted in more expeditious handling of California and south line traffic originating in Oregon east and north of Eugene and also from Myrtle Creek, some 100 miles south of Eugene;

"3. Constructed the Alturas line from Klamath Falls, Oreg., to Fernley, Nev., at a cost of around $5 million, and standard-gaged and reconstructed the former Nevada, California & Oregon Railway between Wendel and Alturas, at a cost of more than $2,700,000, all of which combined to reduce time in transit on eastbound carloads originating in Oregon and westbound empties destined to Oregon for loading;

"4. Constructed the Taylor retarder yard in Los Angeles at a cost of nearly $2 million and the Roseville retarder yard at Roseville, Calif., at an additional cost of more than $3.3 million, which yards, though remote from Oregon, have improved the handling of cars destined to and from that area by reducing the switching and blocking of outbound loads and by expediting the movement of empties toward Oregon loading points. (The amounts stated are for investment expenditures only and do not include total costs amounting to from $2.5 to $3 million more than the figures just stated.) (842);

"5. Installed CTC between Black Butte and Dunsmuir, Dunsmuir and Redding, Bena and Tehachapi, Santa Margarita and San Luis Obispo, Alhambra and Colton, Colton and Indio in California between Sparks and Massie in Nevada, and between Lucin and Bridge in Utah, all of which installations contribute to hurrying loads and empties toward Oregon and loads from Oregon to markets in all parts of the country;

"6. Recently defendant's board of directors approved the expenditure of $2.4 million to install CTC on the section of the line from Crescent Lake to Klamath Falls, which will greatly improve the movement of cars to and from Oregon (842);

"7. Installed diesel engine servicing facilities at El Paso, Roseville, and Ogden at a cost of many millions of dollars;

"8. Installed radiotelephones in 44 cabooses operating between Eugene and Dunsmuir via Klamath Falls at a cost of $121,968. From 20 minutes to 5 hours per trip have been saved by such telephones through avoiding delays incident to cutting out helpers, cutting trains at sidings, and entering and leaving sidings, particularly those not equipped with spring switches (843); and

"9. Had on order and undelivered, as of August 31, 1952, 6,718 freight cars and 116 diesel locomotives at a cost of $66 million (845)."

Defendant asserts that the car shortages during the peak shipping season 1947–50, inclusive, are the only severe peacetime shortages on its lines since 1922–23. It refers to the period 1924 to late 1940 as one of large surpluses of empty cars on all class I railroads. This surplus is said to have reached 700,000 cars for the national average. In 1939 defendant had on line a daily surplus of 6,632 serviceable cars, and in 1940 the average of such cars was 5,374. Reference is made to annual reports of this Commission which discuss the matter, and the effect such surpluses had on new car purchases, etc., during that period. That period was followed by an upsurge in volume of traffic as a result of World War II. The latter period 1942–45 caused a real problem for defendant in its effort to dispose of cars made empty on its lines. During that period defendant was required to haul trainloads of empties to its eastern connections. With the end of the war, the situation suddenly reversed. The car supply generally was short until the decline in industrial production—and in railroad traffic—which occurred in 1949. That recession soon was followed by an upsurge in traffic caused by the Korean situation, and so-called scare buying. The national traffic situation changed from a reported car surplus of some 35,000 to one of car shortages that became widespread and severe in many parts of the country—particularly in western Oregon. Much space in the record and in briefs was given the topics just mentioned. Suffice it here to say that exhibits 45 and 46 (Tr. 964–167) show a daily shortage national in scope of several thousand needed cars for immediate movement. The effect of the 5-day week in terms of car shortage, was to reduce the Nation's car supply by about 175,000 cars. That subject was discussed in the 64th and 65th annual reports of this Commission to the Congress. The car shortages, national in scope, were widely publicized during the principal period covered by the complaint and record herein.

Contributing to the difficulty of defendant to furnish cars to its shippers during the period in question, defendant shows by exhibits 34 and 35 that the Association of American Railroads issued several car service orders or directives requiring it to turn over to their connecting lines specified numbers of serviceable cars as described in the orders. The record shows that 7 such orders were issued in 1946, 4 in 1948, 3 in 1949, 10 in 1950, and 7 in 1951. Four of these were still in effect in December 1950. The service orders made effective during 1950 are described on pages 4 and 5 of exhibit 35 as follows:

"Effective May 6, 1950 (still in effect December 1950). Order provided for return empty of all gondolas of Eastern Allegheny ownership with the exception that gondolas covered by this order locating west of the Continental Divide could be loaded to any destination east thereof.

"Effective May 21, 1950 (canceled June 10, 1950). Order requires S. P. Co. to deliver A. T. & S. F. Ry. 500 plain box suitable for merchandise loading or better at rate of 50 cars daily. Order was modified effective June 1 through June 10 to require S. P. Co. to exclude A. T. & S. F. Ry. plain box from all distribution and loading excepting in the State of Oregon and return empty to owners.

"Effective July 5, 1950 (canceled November 15, 1950). This order restricted the loading of Canadian owned boxcars to destinations only north of a line extending from St. Louis through Kansas City to Denver or to destinations to or via Canadian Roads.

"Effective July 7, 1950 (canceled August 3, 1950). Order required S. P. Co. to withdraw from distribution and return to owners W. P. RR. boxcars locating in States of California and Nevada. This order was superseded by another effective July 10 which directed S. P. Co. to deliver 50 empty serviceable plain boxcars to W. P. RR., daily, for a 10-day period. This order took preference over S. P. Co. requirements.

"Effective July 7, 1950 (canceled August 3, 1950), order required that S. P. Co. exempt from distribution D. & R. G. W. Railroad boxcars and expedite return empty to owners; however, order was immediately modified to permit cars to be loaded in accordance with car service rules.

"Effective July 16, 1950 (canceled October 5, 1950), order required S. P. Co. to deliver to U. P. Railroad at southern California junctions 50 serviceable plain boxcars daily, count not to include Canadian boxcars or cars home to owners at junctions where made empty. Order was amended on August 2, increasing requirements to 125 cars daily, and again amended August 17 to increase demands to 200 cars daily, excluding junction rule 2 and Canadian ownership.

"Effective July 17, 1950 (canceled August 30, 1950), order required that all flats and gondola cars other than Pacific coast, Canadian, and D. & R. G. W. ownerships arriving San Francisco-Oakland area under load with Government shipments be returned empty in service route. Order was modified on August 31 through September 30 to permit the loading of flats falling within provisions of this order to destination east of the Continental Divide.

"Effective August 10, 1950 (canceled October 4, 1950), order required S. P. Co. to deliver to W. P. Railroad for movement via W. P. Railroad, and delivery to G. N. at Bieber, Calif., 10 serviceable boxcars daily, preferably of G. N. ownership."

The orders made worse the bad situation for defendant at the very time it could not supply its shipper demand for cars. Defendant calls attention to the fact that during World War II the purchase of cars, locomotives, etc., was restricted by priorities. In the period 1940–51 defendant purchased 48,813 freight cars and 725 locomotives. Some 454 of the latter were diesels. Defendant has purchased 30,680 cars since 1946 at a cost of approximately $380 million. In addition, since 1946 defendant contributed some $79 million for the purchase of refrigerator cars for the Pacific Fruit Express, of which defendant owns one-half. Delays were experienced in delivery of some of the equipment. Bad-order cars have been repaired with diligence (Tr. 838). Defendant asserts its serious consideration of the plight of shippers during the periods of car shortages in recent years. It claims to have done all within its power to serve its shippers, and cites the above purchases and expenditures as indicative of its undertaking to do all within its power to provide service to all its shipper patrons. In addition to the equipment referred to, defendant has spent in recent years some $375 million for construction, additions, and betterments. Reference is made to an agreement reached by the railroads in July 1951 at Chicago to "(a) increase ownership to 1,727,873 cars as of July 1, 1950, or an increase of 122,000 cars; (b) reduce bad-order cars to 5 percent ownership of each class of car on each railroad; (c) speed up car handling so as to attain an average of 50 miles per freight car per day; (d) avoid delays and other insufficiencies in freight-car handling; and (e) solicit shipper-receiver cooperation in freight-car efficiency."

Defendant shows that at all times during recent years it has had on order cars much above the average for class I railroads; that in carrying out the Chicago agreement it has far exceeded the efficiency in operation there contemplated. In 1950 defendant was moving freight cars more than 65 miles per day and for all serviceable cars 68 miles. Unserviceable cars on all class I railroads were shown to be about twice the percentage of that on the system lines of defendant (Tr. 852). The efficiency in operation shown here of record for the period 1946–51 shows that

defendant exceeded the national average in additions to equipment and other improvement. Such a showing is important to the ultimate conclusion in this proceeding, but it affords little comfort to the lumber shippers in western Oregon, who, as claimed, have suffered more shortage in cars desired than is shown for any other area in the territory served by defendant. The supply of cars during favorable weather conditions for producing lumber in western Oregon largely determines the amount that can be produced and determines definitely the volume of business of the industry.

The production of lumber in western Oregon has been increasing steadily for several years. The tempo has accelerated in recent years. Since 1946 defendant has not furnished all the cars desired by Oregon lumber shippers during the peak season of summer months. It appears, however, that on an annual basis cars furnished have approximated, and in some instances exceeded, those ordered (on orders remaining uncanceled).

Shippers in western Oregon local to defendant are dependent for cars drawn, for the most part, from 1,500 to 2,000 miles distant from that area. As empties are pulled up from Texas through California obviously the supply of empties shrink en route. The supply diminishes along the route when shippers there are asking for cars. This has caused the car supply in western Oregon for shippers local to defendant to bear no small part of the grief when shortages occur on the system lines of defendant.

Careful consideration has been given all the findings proposed by counsel on briefs. The situation is aptly stated in brief of complainant (p. 293): "Many conditions shown to prevail perhaps cannot be fully corrected within the limit and scope of this proceeding. Full restitution to damaged shippers can never be made." One cannot consider the record herein without feeling the force of these statements. The records show that in times of car shortage the Portland division generally is reported "short." Seldom, but at times, other divisions are reported "short" by smaller percentage of cars furnished to cars ordered than that of the Portland division. Consideration has been given by the Commission's Bureau of Service to the issuance of a car service order that would require carriers more equitably to distribute cars among its several operating divisions in times of car shortage where surpluses were reported on certain of the divisions. Instances are here shown of record of distribution in which it appears that the Portland division and 1 or 2 other divisions of defendant's lines appeared to have been given less than an equitable share of cars on hand. The Commission's Bureau of Service generally receives daily reports of cars on hand, cars ordered, cars furnished, surpluses or shortages for the several operating divisions of carriers in car shortage areas. Application promptly should be made to the Commission for relief, when and where an equitable distribution is not made among operating divisions, for the issuance of a car service order to effect needed relief. All the findings proposed by complainants properly may not be made on this record. Section 15 (4) of the act protects the carrier originating the traffic in its long haul. Section 15 (8) allows the shipper the right to route his traffic. Both defendant and shippers here are shown to have exercised those statutory rights.

Upon this record the Commission should find:

1. The complainant herein and interveners in its behalf are proper parties complainant.

2. The defendant originates, transports and delivers a very substantial portion of the volume of rail freight moving to or from points in western Oregon and, except in the limited territory served by Oregon Electric Railway Co., enjoys what almost amounts to a monopoly in that portion of western Oregon southerly from Portland.

3. While Portland, Oreg., to some extent, as designated in the tariffs, is an open gateway for the movement of rail shipments originating on lines of defendant in western Oregon, so far as rates and routings are concerned, and competitive rates and practical routings exist via Portland in connection with Union Pacific Railroad Co., and, to a lesser extent with other northern lines, defendant has discouraged the use of such route and has solicited against it; Union Pacific Railroad Co. solicits traffic at points on lines of defendant for routing via Ogden.

4. During the past decade that portion of western Oregon served by defendant has experienced a substantial industrial growth, particularly in the production of lumber and other forest products, which growth and development has substantially increased the rail freight tendered to and transported by defendant, and has likewise greatly increased the potential traffic of the area to a point exceeding that here reflected of record in rail shipments.

5. That defendant, by reason of its near monopoly in rail transport facilities within the described area in western Oregon, owes to the shippers of that area the duty of anticipating any community and industrial growth reasonably to be expected, and of furnishing to shippers and prospective shippers service, equipment and facilities as nearly as reasonably possible, adequate to their needs, and to augment the same from time to time in advance of development to such extent that such development and growth may reasonably be anticipated.

6. That the alleged failure to furnish intervener, Wren Planing Mill, all the cars it desired during the period June 1 to September 30, 1950, is not shown to have constituted a vioaltion of the Interstate Commerce Act as to warrant a finding of damages on the issues raised.

7. That the record does not afford a basis upon which the Commission may make an enforceable order retroactive to the periods covered by the complaint and the evidence adduced of record.

It follows, therefore, that the complaint, including the intervening petition, should be dismissed.

APPENDIX A

SCHEDULE A. WREN PLANING MILL

Footage and profits comparison to actual results of operations with estimated normal results of operations for the months of June to September 1950, inclusive

	Applicable to sawmill shipments	Applicable to cants purchased and custom milling	Total
Estimated shipments based on approximately normal production as per schedule attached	*Feet* 7,562,466	*Feet* 8,437,534	*Feet* 16,000,000
Actual shipments during the period, per records of the Company	4,489,048	2,920,394	7,409,442
Estimated shortage	3,073,418	5,517,140	8,590,558
Summary of per M feet sales and costs as shown on attached schedules:			
Average sales prices applicable during the 4 months	$68.02	$73.62	
Less—			
Direct variable costs included in lumber from own sawmill	26.86		

	Applicable to sawmill shipments	Applicable to cants purchased and custom milling	Total
Summary, etc.—Continued			
Less—Continued			
Direct variable costs included in resaw, planing mill, and shipping	$9.04	$9.04	
Cost of cants purchased		56.28	
	35.90	65.32	
Margin of profit	32.12	8.30	
Loss of production:			
Sawmill, 3,073,418 feet at $32.12 per thousand or			$98,718.19
Purchased cants and lumber, 5,517,140 feet at $8.30 per thousand or			45,792.26
Loss of profits, partly estimated			144,510.45

SCHEDULE B. WREN PLANING MILL

Sales prices and production costs applicable to year 1950

	Amount	Feet	Per M feet
Actual sawmill sales price in 4 months of June to September 1950	$305,338.34	4,489,048	$68.02
Actual sales price of cants and lumber purchased, remanufactured, and sold during the 4 months of June to September 1950	155,477.55	2,111,845	73.62
Direct variable costs included in lumber from our sawmill exclusive of resaw, planing, and shipping for the year 1950	275,063.47	10,239,630	26.86

	Amount	Feet	Per M feet
Cost of cants and lumber purchased for the year 1950	$184,376.15	$3,275,943	56.28
Direct variable costs applicable to resaw, planing mill, and shipping being on combined footage of sawmill production sold and purchased lumber sold for the year 1950	118,629.45	13,129,477	9.04

SCHEDULE C. WREN PLANING MILL

Data in re costs and expenses for the year 1950

Direct variable costs:			Power, lights, and water		$10,146.38
Gross payroll for the year		$167,564.32	Total direct costs of all operations		629,800.18
Lumber and cants purchased		184,376.15			
Logs purchased	$284,071.99		Less:		
Less:			Supervisory labor and other labor including watchmen (fixed costs)	$49,703.22	
Logs sold	64,085.55		Payroll taxes and payroll insurance thereon	2,027.89	
Increase in inventory during year	9,168.23				51,731.11
		210,818.21			
Stumpage depletion		11,854.60			
Supplies and expenses		38,212.18			
Payroll taxes and payroll insurance (4.08 percent average)		6,828.34	Total direct costs variable applicable to production		578,069.07

Distributed as follows:

	Sawmill production	Cants, resaw and planer	Total		Sawmill production	Cants, resaw and planer	Total
Gross payroll	$66,935.06	$100,629.26	$167,564.32	Less cants and lumber purchased		$184,376.15	
Lumber and cants purchased		184,376.15	184,376.15				
Logs purchased	210,818.21		210,818.21	Total		118,629.45	
Stumpage depletion	11,854.60		11,854.60				
Supplies and expenses	14,397.10	23,815.08	38,212.18	Mill cut feet	10,239,630		
Payroll taxes and payroll insurance	2,730.95	4,097.39	6,828.31	Cants and lumber purchased do		3,275,943	
Power, lights, and water	4,058.55	6,087.83	10,146.38	Cants and lumber purchased and sold do		3,245,236	
Total	310,794.47	319,005.71	629,800.18	Sawmill production sold do		9,884,241	
Less:							
Gross payroll fixed	34,330.32	15,372.90	49,703.22				
Payroll taxes and payroll insurance thereon	1,400.68	627.21	2,027.89				
	35,731.00	16,000.11	51,731.11				
Total direct costs	275,063.47	303,005.60	578,069.07				

SCHEDULE D. WREN PLANING MILL

Data in re footages for the months of June to September 1950, inclusive

Footage shipments had in 1948:

July	3,979,193
August	4,038,730
Total for 2 months	8,017,923
Average	4,008,961
Use	4,000,000

This footage represents essentially the capacity of the entire operation including our sawmill production, lumber purchased and remanufactured in resaw and planer, and custom milling.

Had there been a sufficiency of railroad cars for shipment of the production, at least 4 million feet of lumber would have been shipped in each of the 4 months of June to September 1950, inclusive and the shipments would have been segregated between own lumber produced and cants purchased on essentially the following basis:

Own lumber produced being based on average daily production in June, 1950, prior to curtailment of sawmill operations:

	Feet
See attached schedule	7,562,466
Balance applicable to cants purchased remanufactured, and shipped and to some custom milling	8,437,534
Total estimated normal shipments for the 4 months of June to September, 1950, inclusive	16,000,000

SCHEDULE E. WREN PLANING MILL

Footage of sawmill production for the month of June 1950

Date	Day shift	Night shift	Total
	Feet	Feet	Feet
1	43,472	37,007	80,479
2	37,067	43,145	80,212
3	37,216		37,216
5	51,059	41,598	92,657
6	45,934	36,634	82,568
7	43,754	37,961	81,715
8	38,262	35,476	73,738
9	41,942	39,351	81,293
10	44,533	39,835	84,368
12	44,134	38,134	82,268

Footage of sawmill production for the month of June 1950—Continued

Date	Day shift	Night shift	Total
	Feet	Feet	Feet
13	41,835	37,218	79,053
14	44,224	41,120	85,344
15	43,051	43,029	86,080
16	48,596	42,501	91,097
17	43,377	38,875	82,252
19	44,394	38,876	83,270
20	48,729	45,031	93,760
21	43,158	40,864	84,022
22	44,919	41,310	86,229
23	30,080	38,349	68,429
24	39,526		39,526
26	44,149	39,549	83,698
27	40,032	42,659	82,691
28	42,175	42,827	85,002
29	42,954	44,039	86,993
30	41,035	39,980	81,015
Total	1,109,607	965,368	2,074,975

Total footage	feet	2,074,975
Less average of 8 percent falldown, for trim, resaw, and through planing mill being approximate experience of the company	feet	165,998
Sawmill production	do	1,908,977
Total days operated during June 1950		26
Average cut per day	feet	73,422
Working days in 4 months ended Sept. 30, 1950		103
Estimated production if operated continuously during the said 4 months on basis similar to preceding months	feet	7,562,466

ACCOMPLISHMENT OF THE SENATE THUS FAR IN THE PRESENT SESSION

Mr. MORSE. Mr. President, I should like to make a brief comment—and I am doing it as a "Liberal"—on what I consider to be unfair criticism directed to the legislative record which the majority leader of the Senate is making in this session of Congress.

For example, I have before me an analysis of measures passed by the Senate through March 29, 1956. It does not include measures that were passed in the Senate today since the compilation was drafted. The compilation compares the record of the Senate this year with the record of the Senate a year ago. By March 31, 1955, we had passed 140 bills, a large number of which were private bills. This year, by March 28, 1956, we have passed 412 bills.

The compilation shows that as of March 28, 1956, the Senate has been in session 54 days. As of March 31, 1955, the Senate had been in session 38 days.

Of the total of 337 Senate and House bills and Senate and House joint resolutions, 117 have been general legislation and 220 private bills. It is estimated that only 40 or 50 of the 140 measures passed by March 31, 1955, were general bills. Fifty of the more important bills passed by the Senate so far this year are listed in the compilation, which I believe has already been printed in the RECORD.

I wish to say as a "Liberal" that it is very unfair to read in some press stories that this has been a do-nothing Senate thus far in this session. We started in January with bills to vote on. We proceeded immediately with debate and voting. That does not usually happen at the beginning of a session. I also wish to say that I do not share the view of some liberals in the country who have been quoted recently in press stories as castigating the majority leader because of the legislative course of action he has followed in this session of Congress.

Let me cite a major piece of legislation or two. It may be that there are certain types of liberals who feel we should not have followed the course of action we followed in connection with the gas bill. I was a little surprised, at the beginning of the session, when the gas bill was brought up for early debate and vote, that there was a suggestion from some liberal sources in the country that we ought to bottle it up in committee. I do not believe in either steamroller tactics or in bottling-up tactics.

That is why I took the floor to state that as a liberal I would be no party to a proposal to bottle up the gas bill. I thought it was a very bad bill. I disagreed with the majority leader of the

Senate. I believe he was dead wrong on the gas bill.

However, that has nothing to do with the parliamentary procedure in the Senate. That has nothing to do with the rights of our colleagues in the Senate, both on the majority side and on the minority side. When a bill goes through hearings in committee and is reported out by the committee, as was the case with the gas bill, within a reasonable period of time it should be brought to the floor of the Senate and disposed of.

It was suggested that I go into the Democratic policy committee and oppose bringing the bill out of committee. I refused to do that. On the contrary, I took the floor of the Senate and set forth my feeling as to why it ought to be brought up. I said it ought to be brought up because we could not justify, under our legislative process, the adoption of tactics that some liberals thought would be all right to adopt in that case, because they thought it was such a bad piece of legislation.

Mr. President, the soundest way to strengthen a liberal program in this country is always to be willing to take it on, on the merits. It may mean getting ready to be defeated sometimes, but one of the responsibilities of a liberal in the Senate is to make the record so that liberals who will follow will be in a stronger position to serve the public than they would have been if the record had not been written.

I believe the record we made against the gas bill will redound to the benefit and the glory of liberals in the Congress of the United States in connection with future issues, because I can already hear someone say, "Well, you know what happened with the gas bill. You know the position they took, and you had better be ready to meet them on the merits."

In this session of the Congress we have devoted many hours to the farm bill. What would the critics of the majority leader have us do? I happen to think—and the majority leader knows this, and I have criticized him privately about it—that we held too many night sessions. I think we were held in session too many nights, to the disadvantage of the legislative process in the Senate. He does not share my point of view on that matter, but he is not entitled to the criticism that he is a do-nothing majority leader. On the contrary, he has been a very effective majority leader, who has kept the so-called pressure upon the Members of the Senate to get our work done. The figures in the RECORD on that point cannot be denied. I think it is due the majority leader, before we begin our recess period, to make that statement. I think it is unfair to close this part of the session of the Congress with these criticisms of the majority leader going unanswered. I think everyone knows that on substantive legislation I have disagreed with him time and time again, but I have a high regard for his fairness; I have a high regard for his complete impartiality in the handling of his parliamentary duties in the Senate; and I have a high regard for his dedication and devotion to the public service in carrying out his responbilities as majority leader.

ADJOURNMENT TO APRIL 9, 1956

Mr. STENNIS. Mr. President, in accordance with House Concurrent Resolution 226, I move that the Senate stand in adjournment until Monday, April 9, 1956, at 12 o'clock noon.

The motion was agreed to; and (at 2 o'clock and 44 minutes p. m.) the Senate adjourned, the adjournment being, in accordance with House Concurrent Resolution 226, until Monday, April 9, 1956, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 29 (legislative day, March 26), 1956:

DIPLOMATIC AND FOREIGN SERVICE

Lowell C. Pinkerton, of Missouri, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Sudan.

UNITED NATIONS

James W. Barco, of Virginia, to be a deputy representative of the United States of America in the Security Council of the United States.

UNITED STATES ATTORNEY

William C. Spire, of Nebraska, to be United States attorney for the district of Nebraska for the term of 4 years vice Donald R. Ross, resigned.

ASSOCIATE JUDGE

Austin L. Fickling, of the District of Columbia, to be associate judge of the municipal court for the District of Columbia for a term of 10 years vice Armond W. Scott, term expired.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 29, 1956

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, in this moment of prayer, we are coming unto Thee in the spirit of penitence and confession, of praise and adoration, of supplication and intercession.

We beseech Thee to give us a more vivid sense of our filial relationship to Thee and may we seek to be one with Thee in the thoughts of our minds, the desires of our hearts, and the endeavors of our lives.

May we also cultivate a deeper appreciation and understanding of our fraternal relationship to mankind everywhere and may all attitudes of contempt and hatred toward others be supplanted by feelings of considerateness and love.

Grant that this Holy Week, reminding us of the sufferings and death of our blessed Lord, and the Easter season, commemorating His resurrection, may inspire us to rise with Him in newness of life and give ourselves more sacrificially to the glorious task of building a finer and nobler civilization in which men and nations shall live together in peace and good will.

Hear us in the name of our crucified Saviour and risen Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H. R. 6625. An act to provide for the transfer of title to certain land and the improvements thereon to the Pueblo of San Lorenzo (Pueblo of Picuris), in New Mexico, and for other purposes; and

H. Con. Res. 226. Concurrent resolution establishing that when the two Houses adjourn Thursday, March 29, 1956, they stand adjourned until Monday, April 9, 1956.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 500) entitled "An act to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9064) entitled "An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1957, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 898. An act to amend the Interstate Commerce Act, with respect to the authority of the Interstate Commerce Commission to regulate the use by motor carriers (under leases, contracts, or other arrangements) of motor vehicles not owned by them, in the furnishing of transportation of property;

S. 1161. An act to abolish the Fossil Cycad National Monument, and for other purposes; and

S. 3386. An act to amend the joint resolution entitled "Joint resolution to establish a commission for the celebration of the 100th anniversary of the birth of Theodore Roosevelt," approved July 28, 1955.

The message also announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 101. An act for the relief of Fernanda Milani;

S. 117. An act for the relief of Ana P. Costes;

S. 213. An act for the relief of Mrs. Ingeborg C. Karde;

S. 315. An act for the relief of Asher Ezrachi;

S. 396. An act for the relief of Theresa Pok Lim Kim;

S. 663. An act for the relief of William T. Collins (Vasilios T. Buzunis);

S. 963. An act for the relief of Mr. and Mrs. Andrej (Avram) Gottlieb;

S. 1242. An act for the relief of Purita Rodriguez Adiarte and her two minor children, Irene Grace Adiarte and Patrick Robert Adiarte; and

S. Con. Res. 68. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens.

DEPARTMENT OF DEFENSE

Mr. BURLESON. Mr. Speaker, by direction of the Committee on House Ad-